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Application Proof of

Guolian Green Technology (Wuxi) Co., Ltd.

國聯綠色科技(無錫)股份有限公司

(the “Company”)

(A joint stock company incorporated in the People’s Republic of China with limited liability)

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Guolian Green Technology (Wuxi) Co., Ltd.

國聯綠色科技(無錫)股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [[REDACTED]] H Shares (subject to
[REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share (payable in
full in Hong Kong dollars on
[REDACTED] plus brokerage of 1%, SFC
transaction levy of 0.0027%, AFRC
transaction levy of 0.00015% and subject
to refund and the Stock Exchange trading
fee of 0.00565%)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

**Joint Sponsors, [REDACTED], [REDACTED],
[REDACTED] and [REDACTED]**



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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As this is only a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined or explained in “Definitions” and “Glossary of Technical Terms” in this document.

OVERVIEW

We are a leading full-cycle intelligent energy management solutions provider in China. Our solutions integrate advanced energy-saving products and proprietary software systems to cover the entire value chain of assessment, design, construction, operation and maintenance across public and commercial buildings, industrial facilities and data centers. According to Frost & Sullivan, we ranked second among full-cycle intelligent energy management solutions providers in China and first in Eastern China by revenue in 2025. We have also been recognized as a High-Tech Enterprise in Jiangsu Province (2023) and a Specialized and Sophisticated Small and Medium-sized Enterprise in Jiangsu Province (2024). We obtained AAAAA certifications for both energy management contract services and comprehensive energy services, which is the highest certification grade awarded by the China Energy Conservation Association. In 2026, our intelligent energy-carbon management solution was included in the MIIT list of trusted solutions for innovation.

Unlike traditional models that offer only standalone equipment or single-phase engineering services, our solutions are tailored to customers’ specific energy consumption characteristics, enabling flexible business models that support long-term, stable energy management, reduce energy investment risks, improve efficiency, and lower costs and carbon emissions. We have developed in-house a series of high-efficiency evaporative cooling products, the GLJC-AIBox for HVAC system efficiency, and an intelligent energy and carbon management platform. We have also developed modular solutions, including modular evaporative-cooled packaged chiller, oil-free centrifugal evaporative-cooled product series, and fully modular containerized systems for AIDC. According to Frost & Sullivan, we are among the first in China to launch fully modular containerized systems for AIDC, enabling “factory pre-assembly and rapid on-site installation” that significantly shortens construction timelines while supporting flexible configuration and iterative upgrades across AI computing, general-purpose computing and edge computing scenarios.

As of December 31, 2025, we have provided intelligent energy management solutions across 23 provinces, municipalities and autonomous regions, with deep roots in the Yangtze River Delta region. As of the same date, we undertook over 120 projects in industrial buildings, over 130 projects in public and commercial buildings and over 10 projects in data centers. Since inception and up to December 31, 2025, we had 71 intelligent energy operation and management projects that had entered into the stage of operation and had completed 151 intelligent energy efficiency projects.

OUR BUSINESS MODEL

During the Track Record Period, we generated revenue from intelligent energy operation and management solutions and intelligent energy efficiency solutions. We provide whole process intelligent energy operation and management solutions under two business models, namely energy hosting model and shared saving model. In addition to intelligent energy operation and management projects under energy hosting model and shared saving model, we also offer operation, management, maintenance and repair services for energy equipment and systems. In addition, we also provide intelligent energy efficiency solutions with advanced equipment and systems and quality engineering services.

SUMMARY

The following table sets forth a breakdown of our revenue by business lines, in absolute amounts and as percentages of the total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Intelligent Energy Operation and Management Solutions.	293,169	45.7	410,924	55.8	438,494	68.6
– Energy hosting model.	274,565	42.8	381,455	51.8	400,359	62.7
– Shared savings model.	14,634	2.3	22,413	3.0	25,832	4.0
– Operation and maintenance services	3,970	0.6	7,056	1.0	12,303	1.9
Intelligent Energy Efficiency Solutions	348,999	54.3	326,159	44.2	200,711	31.4
Total	<u>642,168</u>	<u>100.0</u>	<u>737,083</u>	<u>100.0</u>	<u>639,205</u>	<u>100.0</u>

Our business is primarily conducted on a project-by-project basis. During the Track Record Period, we primarily undertook intelligent energy operation and management projects and intelligent energy efficiency projects. Our projects were located across 75 cities and 23 provinces, municipalities and autonomous regions across China as of December 31, 2025.

Intelligent Energy Operation and Management Solutions

For our intelligent energy operation and management projects, we provide full-cycle solutions covering project assessment, proposal design, project investment, engineering construction, operation and maintenance. We charge our customers energy service fees for the energy supplied or in proportion to the energy saved. As of December 31, 2025, we had 72 ongoing intelligent energy operation and management projects, among which 55 projects were in the stage of operation and 17 projects were in the stage of investment and construction.

Energy Hosting Model

Under the energy hosting model, we are responsible for the assessment, design, investment, construction, operation and maintenance of the project and charge our customers energy service fees during the stage of operation and maintenance. During the term of the project, we retain the ownership of equipment and system which we invest in, built and used in the intelligent energy operation and management solutions while our customers pay an agreed amount of energy service fees typically on a regular basis or agreed energy supply cycle basis. When the term of intelligent energy operation and management project expires, we will transfer the ownership of energy-saving equipment and systems to our customer in accordance with the relevant contractual arrangements and all energy conserved thereafter will be enjoyed by our customer alone.

Shared Savings Model

Under the shared savings model, we are responsible for the assessment, design, investment, construction and maintenance of the project and retain the ownership of equipment and systems which we invested, built and used in the intelligent energy operation and management solutions during the term of the project. After the construction of a project is completed, our customer has the primary responsibility to provide operation, while we are responsible for routine maintenance and repair services for the project. We generally provide training to our customers before entering into the stage of operation and make site visits and provide guidance to our customers on a regular basis during the stage of operation. We and our customer share the actual energy-conserved in the proportions agreed to in the contract during the term of project. We will transfer the ownership of energy-saving equipment and systems to our customer in accordance with the relevant contractual arrangements once the term of the project expires and all energy-conserved thereafter will be enjoyed by our customer alone.

SUMMARY

Operation and Maintenance Service

In addition to intelligent energy operation and management projects, we provide operation and maintenance services. We offer operation, management, maintenance and repair services for energy systems or equipment of our customers, stations or systems such as chilled water, compressed air and power distribution systems. Moreover, we also offer specialized maintenance services for equipment.

Intelligent Energy Efficiency Solutions

Under this business line, we provide intelligent energy efficiency solutions covering project assessment, engineering design, procurement of equipment, raw materials, components and related parts, construction and maintenance tailored to the needs of our customers. We provide intelligent energy efficient solutions for retrofit projects and greenfield projects. We charge our customers for providing advanced equipment and systems and quality engineering services. We successfully completed 94 intelligent energy efficiency projects during the Track Record Period and had 33 ongoing intelligent energy efficiency projects as of December 31, 2025.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (i) we have distinct products and technologies, enabling integrated solutions; (ii) we have the ability to meet diverse customer demands through multiple coordinated business models; (iii) we established collaborative ecosystem for mutual benefits; (iv) we have the capabilities of strong R&D capabilities and continuous improvement of our solutions; (v) we have diversified customer base and well-recognized market reputation and (vi) we have experienced management team and strong shareholder background.

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) deepen our presence in existing vertical markets and sustain our advantages in key energy management solutions markets; (ii) accelerate our expansion into high-growth sectors; (iii) strengthen R&D and innovation in software and hardware products, and enhance our intelligent energy product matrix; and (iv) deepen and optimize domestic market presence and expand into Southeast Asian markets.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

During the Track Record Period, our customers were primarily industrial enterprises, construction and engineering companies, commercial and public building operators, energy and utility companies as well as government authorities and state-owned entities. Revenue from our five largest customers in each year during the Track Record Period accounted for 71.9%, 72.2% and 56.0% of our total revenue for the respective year. Revenue from our largest customer in each year during the Track Record Period accounted for 28.4%, 38.6% and 41.0% of our total revenue for the respective year.

SUMMARY

Major Suppliers

Our suppliers primarily comprise equipment suppliers providing refrigeration equipment, air compressors, water pumps, boilers and cooling tower. Purchases from our five largest suppliers in each year during the Track Record Period accounted for 47.7%, 29.0% and 38.7% of our total purchases for the respective year. Purchases from our largest supplier in each year during the Track Record Period accounted for 27.2%, 9.4% and 19.1% of our total purchases for the respective year.

COMPETITIVE LANDSCAPE

The intelligent energy management solutions industry in China is characterized by a highly diversified and competitive market structure, with a diverse range of participants. As to our intelligent energy management solutions business, we compete against a diverse range of market participants, including traditional energy-saving equipment manufacturers, large energy groups and internet enterprises, multinational corporations and other integrated intelligent energy management solutions providers. See “Industry Overview” for more details of the competitive landscape of the intelligent energy management market.

According to Frost & Sullivan, the key barriers to entering the intelligent energy management solutions industry include technology and R&D capability, operational experience, financial constraints, qualification acquisition and risk management. Our competitive strengths including (i) distinct products and technologies, enabling integrated solutions; (ii) ability to meet diverse customer demands through multiple coordinated business models; (iii) established collaborative ecosystem for mutual benefits; (iv) capabilities of strong R&D capabilities and continuous improvement of our solutions; (v) diversified customer base and well-recognized market reputation and (vi) experienced management team and strong shareholder background, enabling us to compete effectively with other market players. According to Frost & Sullivan, in 2025, we were the second largest full-cycle intelligent energy management solutions provider in China, with a market share of 4.0%, and the largest in East China, with a market share of 9.6%, in each case in terms of revenue.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this document.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary, for the years indicated, of our consolidated statements of profit or loss.

SUMMARY

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	642,168	737,083	639,205
Cost of sales	(540,845)	(595,034)	(495,364)
Gross profit.	101,323	142,049	143,841
Other net income	3,908	2,436	2,949
Selling expenses	(12,806)	(14,285)	(16,089)
Administrative expenses	(28,520)	(35,929)	(36,123)
Research and development expenses	(10,899)	(9,920)	(10,886)
Impairment loss on financial assets	(9,417)	(6,747)	(9,736)
Profit from operations	43,589	77,604	73,956
Finance costs	(12,612)	(20,113)	(20,738)
Share of profits of an associate	2,859	3,653	4,895
Profit before taxation	33,836	61,144	58,113
Income tax	(1,858)	(12,487)	(7,653)
Profit for the year	31,978	48,657	50,460
Profit attributable to:			
Equity shareholders of the Company	31,130	49,541	50,028
Non-controlling interests	848	(884)	432
	31,978	48,657	50,460

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use EBITDA (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe these measures provide useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss in the same manner as they help our management. However, our presentation of EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

EBITDA (non-IFRS measure)

We define EBITDA (non-IFRS measure) as profit for the year adjusted by adding back: (i) income tax; (ii) finance costs; and (iii) depreciation and amortization to derive EBITDA (non-IFRS measure). The following table sets out a reconciliation from profit for the year to EBITDA (non-IFRS measure) for the years indicated:

SUMMARY

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of profit for the year to EBITDA (non-IFRS measure)			
Profit for the year	<u>31,978</u>	<u>48,657</u>	<u>50,460</u>
Add:			
Income tax	1,858	12,487	7,653
Finance costs	12,612	20,113	20,738
Depreciation and amortization ⁽¹⁾	36,255	48,632	55,730
EBITDA (non-IFRS measure)	<u>82,703</u>	<u>129,889</u>	<u>134,581</u>

Notes:

1. The amount of depreciation and amortization presented represents the depreciation of property, plant and equipment, the amortization of intangible assets, and the depreciation of right-of-use assets.

Revenue

Our revenue decreased by 13.3% from RMB737.1 million in 2024 to RMB639.2 million in 2025. This decrease was primarily attributable to the decrease in revenue from our intelligent energy efficiency solutions, despite an increase in revenue from our intelligent energy operation and management solutions. Revenue from our intelligent energy operation and management solutions increased by 6.7% from RMB410.9 million in 2024 to RMB438.5 million in 2025, mainly due to: (i) an increase in the number of our managed intelligent energy operation and management projects and the continued revenue contribution from certain existing projects; and (ii) an increase in revenue from our operation and maintenance services. On the other hand, revenue from our intelligent energy efficiency solutions decreased by 38.5% from RMB326.2 million in 2024 to RMB200.7 million in 2025, mainly due to our proactive strategic adjustment to focus on projects with higher gross profit margins and the raising of our screening standards for intelligent energy efficiency solutions projects.

Our revenue increased by 14.8% from RMB642.2 million in 2023 to RMB737.1 million in 2024, primarily due to an increase in the revenue of the intelligent energy operation and management solutions as a result of the commencement of operation of new projects. Our revenue from intelligent energy operation and management solutions increased by 40.1% from RMB293.2 million in 2023 to RMB410.9 million in 2024, primarily due to increase in the number of projects we undertook as part of strategy to promote intelligent energy operation and management solutions and the commencement of operation of these new projects. Our revenue from intelligent energy efficiency solutions decreased by 6.5% from RMB349.0 million in 2023 to RMB326.2 million in 2024, primarily due to our strategic focus on expanding our higher-margin intelligent energy operation and management solutions.

Cost of sales

Our cost of sales decreased by 16.8% from RMB595.0 million in 2024 to RMB495.4 million in 2025, primarily due to: (i) a decrease of RMB117.5 million in engineering and equipment costs as a result of the reduction in our intelligent energy efficiency solutions; and (ii) an increase of RMB6.7 million in maintenance related services fees.

SUMMARY

Our cost of sales increased by 10.0% from RMB540.8 million in 2023 to RMB595.0 million in 2024, primarily due to: (i) a significant increase of RMB47.6 million in energy consumption costs as a result of the expansion of our intelligent energy operation and management solutions; (ii) an increase in maintenance related services fees as a result of commencement of new projects; and (iii) a corresponding increase in depreciation and amortization.

Gross Profit and Gross Profit Margin

Our gross profit increased by 1.3% from RMB142.0 million in 2024 to RMB143.8 million in 2025, and the gross profit margin rose from 19.3% to 22.5%, primarily due to: (i) the gross profit and gross profit margin of our intelligent energy operation and management solutions increased, mainly driven by an increase in projects entering into operating stage, continued improvements in cost control; and (ii) the gross profit margin of our intelligent energy efficiency solutions increased, primarily due to our continued proactive strategic emphasis on higher-margin intelligent energy operation and management solutions projects, and our enhanced screening of intelligent energy efficiency solutions projects.

Our gross profit increased by 40.2% from RMB101.3 million in 2023 to RMB142.0 million in 2024, and the gross profit margin rose from 15.8% to 19.3% during the same years, primarily due to an increase in gross profit and gross profit margin of our intelligent energy operation and management solutions, driven by improved cost control efficiency as certain projects reached an operational stage with minimal ongoing costs, partially offset by a decrease in gross profit and gross profit margin from our intelligent energy efficiency solutions as a result of decrease in revenue contribution from this business line, and the increase in the cost for services provided by third-parties in relation to the construction of the projects.

Profit for the Year

For the years ended December 31, 2023, 2024 and 2025, we had profit for the year of RMB32.0 million, RMB48.7 million and RMB50.5 million, respectively, at a profit margin of 5.0%, 6.6% and 7.9%, respectively.

See “Financial Information — Description of Key Components of Our Consolidated Statements of Profit or Loss” in this document.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total non-current assets	565,098	616,698	578,810
Total current assets	682,738	632,548	833,816
Total current liabilities	839,212	695,908	798,514
Total non-current liabilities	176,644	280,701	288,389
Net current (liabilities)/assets	(156,474)	(63,360)	35,302
Net assets	231,980	272,637	325,723

See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position” in this document.

SUMMARY

Net current (liabilities)/assets

As of December 31, 2025, we had net current assets of RMB35.3 million, which decreased to net current liabilities of RMB33.0 million as of March 31, 2026. This decrease was primarily due to a significant increase in contract liabilities and bank loans and other borrowings, partially offset by the reclassification of assets held for sale as of December 31, 2025, which were no longer present as of March 31, 2026 following the completion of the disposal of Suining Chaojie. In particular, contract liabilities increased by RMB189.2 million from RMB78.9 million as of December 31, 2025 to RMB268.1 million as of March 31, 2026, primarily due to advance payments received from customers for new projects we secured.

As of December 31, 2024, we had net current liabilities of RMB63.4 million, which turned to net current assets of RMB35.3 million as of December 31, 2025. This increase was primarily due to a significant increase in cash and cash equivalents, primarily attributable to our business growth, and the reclassification of assets held for sale, partially offset by the increase in bank loans and other borrowings.

Our net current liabilities decreased from RMB156.5 million as of December 31, 2023 to RMB63.4 million in 2024. This decrease was primarily due to a significant reduction in trade and other payables, contract liabilities, and an increase in trade and other receivables, as result of improved working capital management, partially offset by the decrease in inventories and contract costs as result of project delivery and improved inventory turnover.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	56,923	(82,495)	134,511
Net cash used in investing activities	(170,189)	(89,765)	(82,094)
Net cash generated from financing activities	128,942	164,578	30,158
Net increase/(decrease) in cash and cash equivalents	15,676	(7,682)	82,575
Cash and cash equivalents of a disposal group classified as held for sale	–	–	(11,844)
Cash and cash equivalents			
at the beginning of the year	58,710	74,386	66,704
Cash and cash equivalents at the end of the year	74,386	66,704	137,435

See “Financial Information — Liquidity and Capital Resources” in this document.

SUMMARY

Key Financial Ratios

The following table set forth our key financial ratios as of the date or for the year indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin ⁽¹⁾	15.8%	19.3%	22.5%
EBITDA margin ⁽²⁾	12.9%	17.6%	21.1%
Net profit margin ⁽³⁾	5.0%	6.6%	7.9%
Current ratio ⁽⁴⁾	0.81	0.91	1.04
Return on equity ⁽⁵⁾	14.8%	20.1%	17.1%
Return on assets ⁽⁶⁾	3.3%	3.9%	3.8%

Notes:

- (1) Gross profit margin equals gross profit for the year divided by revenue for the year and multiplied by 100%.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue for the year and multiplied by 100%.
- (3) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.
- (4) Current ratio is calculated by dividing total current assets by total current liabilities as of the same date.
- (5) Return on equity is calculated based on profit for the year attributable to equity shareholders of our Company divided by the arithmetic mean of the opening and closing balances of total equity attributable to equity shareholders of our Company and multiplied by 100%.
- (6) Return on assets is calculated based on profit for the year attributable to owners of our Company divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.

See “Financial Information — Key Financial Ratios” in this document.

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED] INVESTMENTS

In 2020, our Company obtained investments from the [REDACTED] Investor through equity transfer. See “History, Development and Corporate Structure — [REDACTED] Investments” for details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Huaguang Environment & Energy directly held 45% of the total issued share capital of our Company. As of April 30, 2026, Huaguang Environment & Energy was in turn held directly as to 51.82% by Guolian Development Group and indirectly through Guolian Investment, a wholly-owned subsidiary of Guolian Development Group, as to 1.23%. Immediately following the completion of the [REDACTED] and assuming that no new Shares are issued under the [REDACTED], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], Huaguang Environment & Energy, Guolian Investment and Guolian Development Group will become our Controlling Shareholders after the [REDACTED], holding approximately [REDACTED] of the total issued share capital of our Company. For details of business delineation between our Group and our Controlling Shareholders, see “Relationship with our Controlling Shareholders”.

DIVIDEND

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutions documents and the relevant laws.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

Although we do not currently have a standalone formal dividend policy, our Articles of Association provide for a cash dividend policy which stipulates that the cumulative amount of dividends distributed in cash over the past three years shall not be less than 10% of the average annual distributable profit realized over the past three years. The implementation of this policy remains subject to our actual profitability, cash flow, future development needs and other relevant factors. We declared dividends of nil, RMB8.0 million and nil in 2023, 2024 and 2025. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

SUMMARY

RISK FACTORS

Our business and the [REDACTED] involved certain risks, which are set out in the section headed “Risk Factors” in this Document. You should read that section in its entirety before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include: (i) our future growth is dependent on the demand for intelligent energy management solutions in China, specifically for our intelligent energy operation and management solutions and our intelligent energy efficiency solutions; (ii) we face competition in the intelligent energy management solutions industry in which we operate; (iii) our results of operations may be adversely affected if favorable regulatory policies change or we fail to adapt to evolving laws and regulations; (iv) changes in customer preferences and habits in energy use may affect our business prospects; (v) changes in public awareness and societal attitudes toward energy conservation may affect the demand for our intelligent energy management solutions and our business growth; (vi) we require upfront funding for certain intelligent energy management projects. Inability to secure such financing may adversely affect our business objectives and financial condition; (vii) we have a high concentration of customers; (viii) our commercial success depends on our efficient R&D capabilities and technological capabilities. Failure to maintain such advantages of ours in the industry may have a material and adverse impact on our commercial success; (ix) our results of operations during the Track Record Period may not be indicative of our future performance and (x) our business growth depends on our ability to identify profitable projects or execute our strategies effectively. If we do not have the said ability, then our business and prospects may be adversely influenced.

CONNECTED TRANSACTIONS

We are expected to continue with certain transactions after the completion of the [REDACTED] which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon the [REDACTED]. See “Connected Transactions” and “Waivers from Strict Compliance with the Listing Rules — Connected Transactions” for further details.

WORKING CAPITAL CONFIRMATION

During the Track Record Period, we met our working capital requirements primarily from cash generated from operations and bank and other borrowings. Taking into account the financial resources available to us, including cash and cash equivalents, available banking facilities, cash flows from operating activities and estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

[REDACTED]

The estimated total [REDACTED] expenses (based on the mid-point of our [REDACTED] [REDACTED] range for the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately [REDACTED] million (or [REDACTED] of the gross [REDACTED] estimated to be received by us from the [REDACTED]), of which an estimated amount of approximately [REDACTED] million is expected to be charged to profit or loss and the remaining amount of approximately [REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. The estimated total [REDACTED] expenses comprise: (i) [REDACTED]-related expenses, including [REDACTED] commissions, of approximately [REDACTED] million; and (ii) non-[REDACTED]-related expenses of approximately [REDACTED] million, including (a) fees paid and payable to legal advisers and reporting accountants of approximately [REDACTED] million; and (b) other fees and expenses, including sponsor fees, of approximately [REDACTED] million.

SUMMARY

The [REDACTED] expenses above are the current estimate for reference only and the final amount to be recognized to our consolidated income statement is subject to audit and the then changes in variables and assumptions.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of [REDACTED] million after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], assuming an [REDACTED] of [REDACTED] per Share, being the mid-point of the [REDACTED] [REDACTED] of [REDACTED] to [REDACTED] per H Share in this document. We intend to use the [REDACTED] from the [REDACTED] for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- [REDACTED], or [REDACTED] million, will be used to fund the upfront investment of selected new intelligent energy operation and management projects;
- [REDACTED], or [REDACTED] million, will be used for core product iterations and technology R&D;
- [REDACTED], or [REDACTED] million, will be used to expand into new sectors, including AIDC and carbon-neutral industrial parks, and to commercialize self-developed products;
- [REDACTED], [REDACTED] million, will be used for our working capital and general corporate purposes. See “Future Plans and Use of [REDACTED]” in this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Following December 31, 2025, we continued to scale our business steadily. During the period from December 31, 2025 to the Latest Practicable Date, we undertook 31 new projects. In January 2026, we entered into an intelligent energy operation and management contract with a state-owned enterprise of a large size for the provision of compressed air solutions. The project will be operated under the energy hosting model and for an estimated operation term of 10 years. In February 2026, we entered into an intelligent energy efficiency contract with a lithium battery manufacturer in Yangzhou, Jiangsu Province. We will provide intelligent energy efficiency solutions to retrofit the energy management and the energy-saving systems at the lithium battery manufacturing facility.

On December 17, 2025, we entered into an equity transfer agreement with East Lake High Technology, pursuant to which we agreed to transfer the entire equity interest in Suining Chaojie, together with the debt owed by Suining Chaojie, to East Lake High Technology. The transfer was completed on January 4, 2026 and Suining Chaojie ceased to be a subsidiary of us since then. See “History, Development and Corporate Structure – Disposal of Suining Chaojie” for details.

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the years reported on in the Accountants’ Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants’ Report as set out in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are defined in the section headed “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong (formerly known as the Financial Reporting Council of Hong Kong)
“Articles” or “Articles of Association”	the articles of association of our Company conditionally adopted on April 22, 2026 with effect from the [REDACTED] and as amended from time to time, a summary of which is set out in Appendix V to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board of Directors” or “Board”	the board of Directors
“Business Day” or “business day”	a day on which banks in Hong Kong are open generally for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“[REDACTED]”	[REDACTED]
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to “China”, “Chinese Mainland” and the “PRC” do not apply to Hong Kong, Macau and Taiwan, China
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “our Company” or “the Company”	Guolian Green Technology (Wuxi) Co., Ltd. (國聯綠色科技(無錫)股份有限公司), formerly known as Guolian Green Technology (Wuxi) Co., Ltd.* (國聯江森自控綠色科技(無錫)有限公司, 國聯江森自控綠色科技(無錫)股份有限公司), a company established under the laws of the PRC on April 28, 2018 and converted into a joint stock company with limited liability on December 27, 2024
“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time, which was last amended on December 29, 2023
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [REDACTED]. Such conversion of Unlisted Shares into H Shares has been filed with the CSRC on [•] and an application for H Shares to be [REDACTED] on the Stock Exchange has been made to the Listing Committee
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Huaguang Environment & Energy, Guolian Investment and Guolian Development Group
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Employee Stock Ownership Scheme”	the employee stock ownership scheme of our Company adopted on January 16, 2020
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public’s ability to resume work or brings safety concern for a prolonged period
“[REDACTED]”	[REDACTED]
“Foshan Enjie”	Foshan Enjie Intelligent Energy Technology Co., Ltd.* (佛山市恩節智能能源科技有限公司), a company established under the laws of the PRC with limited liability on April 26, 2023, and a wholly-owned subsidiary of our Company

DEFINITIONS

“F&S” or “Industry Consultant” or “Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global market research and consulting company
“[REDACTED]”	[REDACTED]
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
“Guangdong Haiborui”	Guangdong Haiborui Refrigeration Technology Co., Ltd.* (廣東省海鉑瑞製冷科技有限公司), a company established under the laws of the PRC with limited liability on June 14, 2023, and a non-wholly owned subsidiary of our Company
“Guide for New Listing Applicants”	the Guide for New Listing Applicants published by the Stock Exchange effective from January 1, 2024 (as amended from time to time)
“Guolian Development Group”	Wuxi Guolian Development (Group) Co., Ltd.* (無錫市國聯發展(集團)有限公司), a company established under the laws of the PRC with limited liability on December 16, 1997, and one of our Controlling Shareholders
“Guolian Finance”	Guolian Finance Co., Ltd* (國聯財務有限責任公司), a company established under the laws of the PRC with limited liability on September 22, 2008 and a subsidiary of Guolian Development Group
“Guolian Green Science Trading”	Guolian Green Science (Wuxi) Trading Co., Ltd.* (國聯綠科(無錫)商貿有限公司), a company established under the laws of the PRC with limited liability on October 20, 2025, and a wholly-owned subsidiary of our Company
“Guolian Investment”	Wuxi Guolian Finance Investment Group Co., Ltd.* (無錫國聯金融投資集團有限公司), a company established under the laws of the PRC with limited liability on March 25, 2008 and one of our Controlling Shareholders
“[REDACTED]”	[REDACTED]
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“[REDACTED]”

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

“[REDACTED]”

[REDACTED]

“Hong Kong Stock Exchange” or
“Stock Exchange”

The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

“[REDACTED]”

[REDACTED]

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Huaguang Environment & Energy”	Wuxi Huaguang Environment & Energy Group Co., Ltd.* (無錫華光環保能源集團股份有限公司), a joint stock company established under the laws of the PRC with limited liability on December 26, 2000, the A shares of which are listed on Shanghai Stock Exchange (stock Code: 600475), and one of our Controlling Shareholders
“H Share(s)”	overseas [REDACTED] foreign share(s) in the share capital of our Company, with a nominal value of RMB1.0 each, which are to be subscribed for and [REDACTED] in Hong Kong dollars and for which an application has been made for the granting of [REDACTED] and permission to [REDACTED] on the Stock Exchange
“[REDACTED]”	[REDACTED]
“Huaguang Environment & Energy Group”	Huaguang Environment & Energy and its subsidiaries
“Huzhou Enjie”	Huzhou Enjie Energy Technology Co., Ltd.* (湖州市恩節能源科技有限公司) a company established under the laws of the PRC with limited liability on June 28, 2022, and an associate of our Company
“IFRS”	IFRS Accounting Standards, as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	any person(s) or entity(ies) which, to the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules
“[REDACTED]”	[REDACTED]

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Joint Sponsors”	the joint sponsors as named in the section headed “Directors, Supervisors and Parties involved in the [REDACTED]” in this document
“Latest Practicable Date”	May 6, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document before its publication
“[REDACTED]”	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

“[REDACTED]”	[REDACTED]
“PRC Legal Advisor”	Zhong Lun Law Firm, our PRC legal advisor
“[REDACTED] Investment(s)”	the investment(s) in our Group undertaken by the [REDACTED] Investor(s) before the [REDACTED], details of which are set out in the section headed “History, Development and Corporate Structure — [REDACTED] Investments” in this document
“[REDACTED] Investor(s)”	the investor(s) who participated in our [REDACTED] Investments, details of which are set out in the section headed “History, Development and Corporate Structure — [REDACTED] Investments” in this document
“[REDACTED]”	[REDACTED]
“Qinhuangdao Taili”	Qinhuangdao Taili New Energy Heating Co., Ltd.* (秦皇島泰利新能源熱力有限公司), a company established under the laws of the PRC with limited liability on September 10, 2018, and a non-wholly owned subsidiary of our Company

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of China
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”, or formerly known as “SAIC”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Enjie”	Shanghai Enjie Energy Saving Technology Co., Ltd.* (上海恩節節能科技有限公司), a company established under the laws of the PRC with limited liability on January 25, 2019, and a wholly-owned subsidiary of our Company
“Shangrao Chaojie”	Shangrao Chaojie Energy Technology Co., Ltd.* (上饒市超節能源科技有限公司), a company established under the laws of the PRC with limited liability on January 13, 2023, and a wholly-owned subsidiary of our Company
“Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.0 each, comprising Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of our Share(s)
“[REDACTED]”	[REDACTED]
“Strategy and ESG Committee”	the strategy and ESG committee of the Board
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance

DEFINITIONS

“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisors of our Company
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three financial years ended December 31, 2025
“[REDACTED]”	[REDACTED]
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.0 each, which are not listed on any stock exchange
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“US\$” or “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“Wuxi Haiborui”	Wuxi Haiborui Refrigeration Technology Co., Ltd.* (無錫海鉑瑞製冷科技有限公司), a company established under the laws of the PRC with limited liability on November 7, 2024, and a non-wholly owned subsidiary of our Company
“Wuxi Zhongcheng”	Wuxi Zhongcheng New Energy Partnership (L.P.)* (無錫眾城新能源合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on April 16, 2020 and our employee stock ownership platform under the Employee Stock Ownership Scheme
“Xinfa Zhilian”	Wuxi Xinfa Zhilian Energy Conservation Co., Ltd.* (無錫市新發智聯節能有限公司), a company established under the laws of the PRC with limited liability on July 24, 2020, and a non-wholly owned subsidiary of our Company
“Yangzhou Energy”	Yangzhou Guolian Energy Technology Co., Ltd.* (揚州市國聯能源科技有限公司), a company established under the laws of the PRC with limited liability on July 16, 2021, and a wholly-owned subsidiary of our Company
“%”	per cent

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, in this document, “” denotes translation of certain PRC established companies or entities, laws or regulations into English for identification purposes only. If there is any inconsistency, the Chinese versions shall prevail.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this document in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

“AI”	artificial intelligence
“AIDC”	artificial intelligence data center, a data center designed for AI computing workloads, which generally has higher heat density and power demand than a traditional data center
“air compressor”	equipment that compresses air to provide power, process gas or other compressed-air support for industrial or commercial applications
“boiler”	equipment used to generate steam or hot water, or to provide heat for industrial production or other thermal applications
“CAGR”	compound annual growth rate
“chilled water pump”	a pump used to circulate chilled water through a cooling system
“chiller”	refrigeration equipment that removes heat from a liquid, typically water, for cooling purposes
“chiller plant”	an integrated refrigeration plant combining chillers and related equipment to provide centralized cooling
“concealed works”	works that are difficult to inspect directly once they are covered by wall sealing, ground leveling, ceiling installation, etc.
“control cabinet”	an enclosed electrical control unit used to house, protect and manage control, measurement or protection components
“cooling tower”	heat-rejection equipment that removes waste heat from cooling water and releases it into the atmosphere
“cooling water pump”	a pump used to circulate cooling water between chillers, condensers, cooling towers and related equipment
“COP”	coefficient of performance, a measure of the energy efficiency of a cooling or refrigeration system, calculated as the ratio of cooling output to energy input under specified operating conditions
“data center”	a facility used to house servers, storage, networking and related infrastructure for data processing, computing and digital services
“dehumidification”	the process of removing moisture from air or an enclosed environment to maintain the required operating condition

GLOSSARY OF TECHNICAL TERMS

“EMC”	a business model that the energy conservation companies provide energy-conservation services to customers according to the energy-conservation service contracts entered into with customers, and recover the investment and gain profit from the energy efficiency achieved upon the completion of energy conservation facilities refurbishment
“energy load forecasting”	the forecasting of future energy or power demand based on historical operating data, weather data and other relevant variables
“energy monitoring platform”	a digital platform used to monitor energy consumption, equipment status and system performance across a project or facility
“energy service fees”	fees charged for supplying energy and/or providing energy management solutions under an EMC or similar arrangement
“energy hosting model”	in the context of our business, an EMC model under which we are responsible for the design, investment, construction, operation and maintenance of a project, charge energy service fees, and transfer the ownership of the relevant equipment and systems to the customer free of charge upon expiry of the project term
“EPC”	engineering, procurement and construction, a common form of contracting arrangement whereby the contractor is commissioned by the customer to carry out works, such as design, procurement, construction and trial operations, either through the contractor’s own employees or by subcontracting part or all of the works, and be responsible for the quality, safety, timely delivery and cost of the project
“ESG”	environment, social and governance
“EV”	electric vehicle
“evaporative cooling”	a cooling method that uses water evaporation to remove heat and lower system temperature
“evaporative cooling products”	integrated cooling products that apply evaporative cooling and related compressor technologies to achieve refrigeration performance
“free cooling”	a cooling approach that uses naturally available low-temperature air or water sources to reduce mechanical refrigeration demand
“full-cycle intelligent energy management solutions provider”	in the context of this document and our business, a service provider that offers integrated energy management solutions across the full chain of assessment, design, investment, financing, construction, operation and maintenance
“GFA”	gross floor area

GLOSSARY OF TECHNICAL TERMS

“GPU”	graphics processing unit, an electronic circuit that accelerates the rendering of images, videos, and graphics by performing high-speed mathematical calculations
“heat pump”	equipment that transfers heat from one medium or location to another for heating and/or cooling purposes
“HVAC”	heating, ventilation and air conditioning
“intelligent and infrastructure power environment monitoring system”	a monitoring system used to track the operating status and environmental conditions of electrical and facility infrastructure
“IoT”	internet of things, the extension of internet connectivity into physical devices and everyday objects
“IT”	information technology
“kilowatt” or “kW”	a unit of power. 1 kW equals to 1,000 watts
“O&M”	operations and maintenance
“PUE”	power usage effectiveness, a data center efficiency indicator typically calculated by dividing total facility energy consumption by the energy consumed by IT equipment
“PV”	photovoltaic, relating to the conversion of light into electricity using solar cells
“renewable energy resources”	energy resources that can be naturally replenished, such as solar, wind or geothermal energy
“shared savings model”	in the context of our business, an EMC model under which we invest in and construct the project, retain ownership of the relevant equipment and systems during the contract term, and share the actual energy-saving benefits with the customer according to the agreed ratio
“sq.m.”	square meter(s)
“waste heat”	heat generated in industrial or other processes that is not directly used and can potentially be recovered or reused

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective,” “target,” “schedule,” “predict,” “aim,” “intend”, “consider,” “would,” “continue” and “outlook”) are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this document), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- general political, market and economic conditions, including those related to the PRC;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business;
- our planned projects and goals;
- our ability to control or reduce costs;
- our ability to control our risks;
- our ability to maintain good relationships with business partners;
- our business prospects and expansion plans;
- our ability to successfully implement our business plans and strategies;
- our financial condition and performance, debt levels and capital needs;
- our dividend policy;
- our capital expenditure plans;
- various business opportunities that we may pursue;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and
- all other risks and uncertainties described in the section headed “Risk Factors” in this document.

FORWARD-LOOKING STATEMENTS

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all the information in this document and, in particular, the risks and uncertainties described below before making an [REDACTED] in our H Shares. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occur, the [REDACTED] of our H Shares could decline and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our future growth is dependent on the demand for intelligent energy management solutions in China, specifically for our intelligent energy operation and management solutions and our intelligent energy efficiency solutions.

We are an intelligent energy management solutions provider in China focusing on public and commercial facilities, industrial enterprises and data centers. During the Track Record Period, we generated revenue from our intelligent energy operation and management solutions and intelligent energy efficiency solutions. Therefore, our future growth and prospects rely on the demand for intelligent energy management solutions in China.

The intelligent energy management solutions industry is characterized by rapidly developing technologies, evolving government regulations and industry standards, and shifting customer demands and preferences. Factors that may influence the demand of our intelligent energy management solutions include:

- favorable government policies or regulatory mandates for energy consumption or potential future regulations mandating renewable energy consumption;
- the development and growth of the intelligent management service industry in China, which may influence enterprises’ demand for energy efficiency optimization and low-carbon operations;
- the rapid advancement of technologies in AI, big data, evaporative cooling and intelligent control systems;
- the environmental consciousness of our existing and potential customers, as well as the general public; and
- macroeconomic factors.

If any of the above factors, either individually or collectively, result in demand for our intelligent energy operation and management solutions and intelligent energy efficiency solutions failing to meet our expectations, or if the growth of the intelligent energy management solutions industry does not continue at its current pace, we may fail to retain our existing customers and attract potential customers, which would have a material adverse effect on our business, prospects, results of operations, and financial condition.

RISK FACTORS

We face competition in the intelligent energy management solutions industry in which we operate.

According to Frost & Sullivan, the intelligent energy management solutions industry in China is characterized by a diversified and competitive market structure. We face increasingly competition from a wide range of market participants, including traditional energy-saving equipment manufacturers that are expanding downstream into service-oriented businesses and large energy groups that are entering the sector through cross-border expansion, multinational corporations that continue to deepen their presence in China’s intelligent energy management solutions industry, and other integrated intelligent energy management solutions providers, some of which may have greater financial, sales and marketing, R&D, manpower or other resources than we do. Some of our competitors may acquire market share by leveraging existing business relationships and acquiring new technologies from third parties. Our competitors may also be more responsive to changes in technologies or customer requirements or offer similar products or services at lower prices. All of the foregoing factors may intensify market competition, and we may face pressure in product and service pricing and competition for orders. Any adverse or unforeseeable change in our competitive environment may have a material and adverse effect on our business, prospects, results of operation and financial position.

Our results of operations may be adversely affected if favorable regulatory policies change or we fail to adapt to evolving laws and regulations.

Our business, growth and profitability are dependent on the regulatory framework for China’s energy management and building energy investment and operation industry, including various favorable policies supporting energy efficiency improvement in our target sectors. There are national and local policies impose specific requirements on our customers, which can be a key driver for demand in intelligent energy management solutions, for example, the Special Action Plan for the Green and Low-Carbon Development of Data Centers (《數據中心綠色低碳發展專項行動計劃》) jointly issued by the National Development and Reform Commission and other ministries, and the Work Plan for Accelerating Energy Conservation and Carbon Reduction in the Construction Sector (《加快推動建築領域節能降碳工作方案》) mandate that national data centers reduce their average Power Usage Effectiveness (PUE) to below 1.5 by 2025 and require large public buildings to conduct mandatory energy-saving renovations to achieve an overall energy efficiency improvement of more than 20%. To meet these national regulatory requirements, our customers may seek suitable energy management solutions, and our service offerings could be a viable option, which may help drive market demand for our services.

The complexity of energy-saving regulations and requirements, which are often subject to change, requires a nimble and proactive approach to compliance. There remains uncertainty in our ability to adapt to the rapidly changing laws and regulations in a timely manner, or at all. For example, governments are imposing stricter regulations on data centers regarding energy efficiency, carbon neutrality, and sustainability goals. There is no guarantee that we will be able to successfully launch or complete new solutions to adapt to the rapidly changing laws and regulations as planned, or that they will perform as expected. If they do not yield the positive results as expected, we may be unable to adapt to the rapidly changing laws and regulations, and our business, financial condition, results of operations and prospects would be materially and adversely impacted.

Changes in customer preferences and habits in energy use may affect our business prospects.

The demand for our intelligent energy management solutions may be adversely impacted by unexpected changes in customer preferences or energy consumption patterns in the future. Therefore, future demand for our services could be significantly and unexpectedly less than anticipated and/or less than previous periods. Our project acquisition, revenue and profitability may be affected by general

RISK FACTORS

economic conditions within the various regions and industries in which our existing or potential customers operate, as well as changing customer preferences and market trends in energy efficiency and carbon reduction.

We have dedicated resources to R&D, including the iteration of our intelligent energy and carbon management platform and self-developed energy saving products such as our evaporative cooling products and GLJC-AIBox, to maintain pace with technological advances in the market and changes in customer preferences for energy management solutions. However, we cannot assure you that we will succeed in anticipating or reacting to changes in customer preferences, maintaining pace with advances in AI, big data and cooling technologies, or continuing to innovate in the future. Additionally, our efforts and investments in product development and innovation may not generate the expected outcomes. If we misjudge the market for our services or are late in recognizing changing trends and customer preferences regarding energy usage, we could experience poor returns on investment or damage to our reputation.

Similarly, there is uncertainty as to when or whether our existing backlog of projects or potential new contracts will convert to revenue, as conversion depends on, among other things, our project execution capacity, customer needs, budget availability, and customers’ internal approval processes. Changes in economic conditions or energy policies in the future may cause customers to request that projects be rescheduled, deferred, scaled down or canceled. Any failure by us to anticipate or react to such changes may also reduce demand for our intelligent energy management solutions. Reduced demand for our services or delays or cancellations of projects in the future could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Changes in public awareness and societal attitudes toward energy conservation may affect the demand for our intelligent energy management solutions and our business growth.

The demand for our intelligent energy management solutions is influenced not only by our customers’ direct purchasing decisions but also by broader public awareness and societal attitudes regarding energy conservation, carbon emissions and environmental sustainability. Our business model relies on a general recognition among stakeholders, including corporate customers, industry associations, local governments and the public, of the importance and long-term benefits of investing in energy efficiency solutions, including our intelligent energy operation and management solutions and intelligent energy efficiency solutions. If public awareness of energy saving does not continue to grow or fails to translate into sustained corporate action and policy support, demand for our services may be adversely affected. Conversely, a decline in energy prices, a shift in public priorities away from environmental concerns, or a perception that energy efficiency investments do not deliver sufficient returns could reduce the economic and social incentives for customers to invest in energy management solutions. In such circumstances, customers may delay, scale down or cancel planned projects, or may prioritize lower-cost, less efficient alternatives over our integrated solutions.

We cannot assure you that energy saving and carbon neutrality awareness will grow in China, or that it will lead to sustained demand for our services. Public attitudes can be volatile and may be influenced by factors beyond our control, including macroeconomic conditions, energy price fluctuations, political discourse and competing societal priorities. If public or societal awareness of energy saving stagnates or declines, or if energy efficiency becomes a lower priority for our target customers and the broader community, our project acquisition, revenue and profitability could be materially and adversely affected. Additionally, shifts in public awareness may also influence government policies and regulations. A decrease in public focus on energy conservation could lead to reduced regulatory support, less favorable policy frameworks or lower levels of government funding for the intelligent energy management industry, which could further dampen demand for our services and harm our business prospects.

RISK FACTORS

We require upfront funding for certain intelligent energy operation and management solutions projects. Inability to secure such financing may adversely affect our business objectives and financial condition.

Certain of our intelligent energy operation and management solutions projects require substantial upfront funding. We require a considerable amount of capital to purchase and customize equipment and other materials to assemble and install intelligent energy management systems. If we are unable to finance these projects, we may not be able to fulfill our business objectives, and our financial condition and results of operations could be adversely affected.

Our ability to obtain project financing on desirable terms is subject to a number of uncertainties, including, among other things, our financial condition, results of operations, cash flows and credit history; the conditions of the global and domestic financial market; changes in monetary policy with respect to bank lending practices and conditions in China; and changes in interest with respect to borrowing practices in China. If adequate working capital is not available to us in a timely manner and on acceptable terms or at all, we may not be able to develop or expand our business and therefore, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We have a high concentration of customers.

During the Track Record Period, we generated a substantial portion of our revenue from our major customers. Specifically, our five largest customers accounted for 71.9%, 72.2%, and 56.0%, of our total revenue in 2023, 2024 and 2025, respectively, and our largest customer accounted for 28.4%, 38.6%, and 41.0% of our total revenue in the same years, respectively.

Our business model is characterized by strategic, long-term partnerships with leading industry players across public and commercial buildings, industrial facilities and data centers. This is a well-established norm in the intelligent energy management solutions industry, where service providers typically maintain close, stable cooperative relationships with key customers through energy management contracts and large-scale energy efficiency projects. As such, deriving a significant portion of our revenue from a concentrated customer base reflects standard industry practice.

However, our reliance on these major customers subjects us to concentration and counterparty risk. We cannot assure you that we will be able to maintain our relationships with our major customers in the future. Moreover, we cannot guarantee that our major customers will not experience changes in their business scope, business model, financial condition or market position. Any material adverse change to the operation, financial performance or financial condition of our major customers may result in a material adverse impact on their business with us. For example, if a major customer delays, scales down or cancels a project, or ceases to engage us for new projects, there can be no assurance that we will be able to find new customers with similar levels of demand on comparable commercial terms within a reasonable period of time, or at all. Should any of these occur, our business, financial condition, results of operations and profitability may be materially and adversely affected.

Our commercial success depends on our efficient R&D capabilities and technological capabilities. Failure to maintain such advantages of ours in the industry may have a material and adverse impact on our commercial success.

We have invested in strengthening our R&D capabilities to develop innovative and effective solutions to keep pace with evolving customer demands. During the Track Record Period, we incurred R&D expenses of RMB10.9 million, RMB9.9 million and RMB10.9 million, respectively.

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Our success in maintaining our R&D and technological capabilities depends, among other things:

- the relative reliability, robustness and scalability of our intelligent energy and carbon management platform, which integrates functions such as real-time monitoring, energy efficiency analysis, load forecasting, carbon emission accounting and intelligent dispatching;
- whether our platform and energy saving products provide development and operational advantages over alternative technologies and are perceived by customers and collaborators as efficient and effective;
- our ability to continuously upgrade, advance and innovate our platform, AI algorithms, and hardware products;
- our ability to protect our intellectual property; and
- market sentiment regarding the accuracy, security and reliability of our technologies and data, particularly in relation to AI-driven energy management solutions.

There can be no assurance that we will successfully address any of these or other factors that may affect the market position of our platform and technologies. If we are unsuccessful in achieving or maintaining the market position of our platform and technological capabilities, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our results of operations during the Track Record Period may not be indicative of our future performance.

In 2023, 2024 and 2025, we generated revenue of RMB642.2 million, RMB737.1 million and RMB639.2 million, respectively, and our profit for the year amounted to RMB32.0 million, RMB48.7 million and RMB50.5 million, respectively. While our business has demonstrated growth in certain periods, we cannot assure you that we will maintain or improve our historical performance, due to a variety of factors. These include uncertainties related to the rollout of our new solutions, increased competition in China’s intelligent energy management solutions industry, our ability to secure new projects on favorable terms, changes in customer demand and energy consumption patterns, and unforeseen changes in PRC laws and regulations that could adversely affect our business operations. Our revenue, expenses and operating results may vary from period to period due to factors beyond our control. We cannot assure you that our future revenue will increase or that we will be profitable. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance.

Our business growth depends on our ability to identify profitable projects or execute our strategies effectively. If we do not have the said ability, then our business and prospects may be adversely influenced.

Our business expansion and future success depend, in part, upon our ability to identify profitable projects or execute our strategies effectively. We plan to secure further growth by: (i) strengthening our presence in existing markets while expanding into emerging sectors and overseas markets; (ii) advancing the iteration of our core products and deepening the integration of AI into our energy management solutions; (iii) implementing solution standardization and modularization strategies to enable scalable growth across sectors; and (iv) building an integrated industrial ecosystem and deepening internal and external collaboration.

The success of our growth plans depends on several factors, many of which are beyond our control. These factors include our ability to:

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- accurately assess the technical feasibility, return on investment and risk profile of potential projects to ensure precise allocation of resources to high-quality opportunities;
- secure new projects on favorable terms, including through competitive bidding processes;
- maintain and expand our existing customer base across public and commercial facilities, industrial enterprises, low-carbon industrial parks and data centers;
- continue to develop and introduce innovative technologies, including upgrades to our intelligent energy and carbon management platform and self-developed evaporative cooling product;
- hire, train and retain qualified personnel, particularly in R&D, AI algorithm development and new sector expansion;
- secure adequate financing for business expansions, including the upfront costs of new projects which require significant capital investment;
- manage relationships with suppliers and subcontractors to ensure timely and sufficient supply of equipment, materials and services;
- improve operational efficiency and control costs, including energy consumption costs, entrusted operation and maintenance costs, and labor costs; and
- navigate challenges that may arise in existing or emerging markets, including increased competition from competitors, including traditional energy-saving equipment manufacturers, large energy groups and multinational corporations.

If we fail to successfully implement our business expansion plans, maintain or expand our domestic and overseas market share, or encounter difficulties in any of the foregoing factors, our profitability, results of operations and financial position may be materially and adversely affected.

Our services or products may fail to meet customer expectations and may contain defects.

Our services may not meet customers’ performance requirements, and we cannot warrant that the equipment or systems we supply are free from defects or will operate uninterrupted in actual use. Customers typically have specific expectations regarding the timely completion and installation of our equipment and systems, as well as the practicality of our customized designs. Meeting these expectations is critical, as any failure to do so could result in customer dissatisfaction, particularly where such failure affects energy consumption across various scenarios. In addition, the stability and reliability of our solutions may be affected by factors such as user proficiency, service duration, continuous equipment runtime, and operating environments, including extreme weather conditions. A higher rate of equipment and system failures due to factors beyond our control may also lead to customer dissatisfaction. Any defects or failure to meet expected performance could cause reputational harm, negative publicity, revenue loss, project delays, product recalls, liability claims, and substantial costs, including warranty expenses. Such outcomes could have a material adverse impact on our business, prospects, results of operations, and financial condition.

The design and assembly processes for our solutions are complex and may involve latent defects and errors that could lead to underperformance and property damage. In addition, raw materials and equipment sourced from third parties may contain quality flaws that materially impair the overall structure and functionality of our solutions. Defects and errors may emerge over time due to the complexity of advanced and evolving technologies. We have limited control over the consistent

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performance of mechanical components and third-party services, which may not deliver as anticipated. While third parties conduct inspections prior to customer acceptance, our limited operating history restricts our ability to assess the long-term performance of our solutions. We cannot assure you that we will detect and remedy defects in a timely manner, or at all. Furthermore, human errors, negligence, or non-compliance with procedures by our employees or third parties may occur at any stage of the design, testing, assembly, delivery, installation, and maintenance of our solutions, especially those involving manual intervention. Such errors may cause our equipment and systems to fail to function as intended. We cannot guarantee that we will fully eliminate human errors in our operations.

Our intelligent energy operation and management solutions may fail to maintain the expected efficiency or effectiveness of energy conservation, which could adversely affect our revenue, profitability and customer relationships.

We generate revenue from our intelligent energy operation and management solutions primarily under the energy hosting model and the shared savings model, while under the energy hosting model, we charge energy service fees based on actual energy consumption. Under the shared savings model, we share a pre-agreed proportion of actual energy savings with our customers. In both models, our revenue and profitability depend on our ability to maintain the efficiency and effectiveness of the energy conservation measures implemented in our projects over the contract term, which typically ranges from eight to 20 years under the energy hosting model and four to 20 years under the shared savings model.

The efficiency of our intelligent energy operation and management projects may decline over time due to factors such as normal wear and tear or technical obsolescence of our equipment and systems, inadequate operation and maintenance, changes in customer energy usage patterns not anticipated at the design stage, failure to update or recalibrate our AI algorithms to adapt to changing operating conditions, external environmental factors, or unforeseen technical difficulties or design flaws.

If the actual energy savings achieved by a project fall below the guaranteed or expected levels, our revenue under the shared savings model would decrease proportionally. Additionally, under certain contracts where we provide energy efficiency guarantees, we may be obligated to compensate customers or forego a portion of our fees if guaranteed performance indicators are not met. Under the energy hosting model, if system efficiency declines, our energy costs may increase relative to the fixed or agreed energy service fees we charge, compressing our profit margins. Further, persistent underperformance of our projects could damage our reputation, lead to disputes or termination of contracts, and impair our ability to secure new projects or renew existing ones. Any of these outcomes could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot assure you that our measures to preserve project performance over the contract term will be sufficient to maintain the expected efficiency and effectiveness of our energy conservation projects over their full lifecycle.

We rely on third-party suppliers for equipment, components and raw materials essential to our business, and any failure by such suppliers to deliver quality products in a timely manner could adversely affect our operations and financial performance.

We rely on third-party suppliers to provide equipment, components and raw materials essential to our intelligent energy operation and management solutions and intelligent energy efficiency solutions. These include chillers, heat pumps, air compressors, boilers, control cabinets and other energy-saving equipment and related components. Our supply chain is exposed to various risks, including delivery failures, insufficient supply, quality defects, price fluctuations, and the inability of suppliers to meet our requirements in terms of schedule, quality and volume. Failure to secure necessary equipment, components or raw materials from our suppliers could result in loss of service capability, project delays or loss of potential customers, which would materially and adversely affect our business, prospects, results of operations, financial condition and cash flows.

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As we have limited control over our suppliers and their business practices, we cannot assure the consistent quality of the equipment, components and raw materials they provide. Any defects or quality issues with these products, or any non-compliance incidents involving our suppliers with applicable laws or ethical standards, could lead to quality problems, project delays or negative publicity associated with our solutions, potentially damaging our brand image and affecting our business. Additionally, if a key supplier fails to adhere to ethical business practices, including environmental responsibilities or compliance with applicable labor laws, we may be compelled to seek alternative suppliers, which could increase our costs and disrupt our operations.

Identifying alternative suppliers or developing replacements for highly customized equipment and components can be time-consuming and costly. Any disruption in the supply of equipment, components or raw materials could temporarily halt our projects until we secure alternative sources. There is no assurance that we would successfully secure alternative suppliers in a timely or acceptable manner, or at all. Changes in business conditions, force majeure events, government regulations or other unforeseen factors beyond our control could also impact our suppliers’ ability to deliver products in a timely manner. Moreover, if we experience a significant increase in demand or need to replace existing suppliers, we cannot assure you that additional supplies will be readily available on favorable terms or at all, or that any supplier will allocate sufficient resources to meet our requirements. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks relating to third-party payments.

During the Track Record Period, we had third-party payment arrangements under which third-party payors settled customer payables on behalf of our customers. For details, see “Business — Third-party Payments.” During the Track Record Period, the aggregate amount of such third-party payments were RMB0.7 million in 2023, RMB0.03 million in 2024 and RMB0.1 million in 2025. All third-party payment arrangements will be ceased prior to the [REDACTED], with the exception of certain government appropriation arrangements, which are common industry practices and have been determined by our PRC Legal Advisors that they are not in violation of applicable PRC laws and regulations.

We were subject to various risks relating to such third-party payment arrangements during the Track Record Period, including but not limited to: (i) exposure to money laundering risks due to our limited background knowledge of the parties involved and the source of funds; (ii) possible claims from third-party payors or their liquidators for return of funds, as such third parties were not contractually indebted to us; and (iii) possible governmental inquiries, enforcement actions, or secondary liability if any funds received were illegally gained proceeds. In the event of any claims from third-party payors or their liquidators, or any legal proceedings, whether civil or criminal, instituted against us in respect of third-party payments, we would be required to spend significant financial and managerial resources to defend against such claims and proceedings, or we may be forced to comply with court rulings to return payments received for services we provided. Additionally, we cannot assure you that we will not be subject to any fines or penalties resulting from the use of third-party payment arrangements. Even if we receive court rulings favorable to us, our reputation, our business relationships with existing customers and our ability to attract new customers may be adversely affected, which may cause a decrease in our operating profit. Our business, financial condition and results of operations may as a result be adversely affected.

There is uncertainty as to our bidding success in the future.

Due to our industry nature, a majority of our revenue is derived from contracts awarded through tendering and such contracts are not recurring in nature. During the Track Record Period, a vast majority of our revenue were generated from projects that were awarded through invitation bidding or public tender. Our bidding success rates were 38.1%, 29.8% and 33.3%, respectively, in 2023, 2024 and 2025.

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We cannot guarantee that we will be invited to participate in the tender process and even if we are invited, our bidding success rate is influenced by the following factors which may be out of our control, including: (i) our project capacity; (ii) the number of tenders submitted by our Group and (iii) the pricing and other terms and conditions offered by our competitors. Therefore, we cannot assure you that we will succeed in the tender process and we may not be able to maintain or increase our bidding success rate. If we are not able to maintain the current bidding success rate, our revenue and operation may be materially and adversely affected.

If we are unable to accurately estimate the overall risks, revenue or costs of our contracts, we may gain lower-than-anticipated profits or incur losses in our contracts.

We entered into a number of contracts of fixed-price or fixed-unit price under our intelligent energy efficiency solutions business. These contracts require us to provide products or services for a fixed price, and therefore expose us to cost overrun risks. Cost overruns, whether due to inefficiency, inaccurate estimates or other factors, may result in lower profits or even losses on a project. Additionally, under our shared savings model contracts, our revenue is determined by the actual energy savings achieved, measured against a baseline energy consumption level established at the outset of the contract. If we inaccurately estimate the baseline, the calculated energy savings, and thus our revenue, may be lower than anticipated, even if our energy conservation measures perform as designed. Conversely, if we underestimate the baseline, we may set unrealistic savings targets that become difficult to achieve.

Further, unforeseen factors may cause the revenue and gross profit realized from our contracts to be lower than our originally estimated value. Such factors include changes in project conditions or customer requirements during construction, variations in labor and equipment productivity over the contract term, unexpected increases in the costs of raw materials, equipment or subcontractor services, delays in project completion due to customer approvals, site access issues or force majeure, technical difficulties encountered during system integration or commissioning, and changes in customer operations or production levels that affect baseline energy consumption after contract commencement.

If our estimates of the overall risks, revenue or costs prove inaccurate, circumstances change or unforeseen circumstances occur, or if the price escalation formula in our contracts does not cover the increase in costs in full, we may experience lower profits or even losses on our contracts, which could materially and adversely affect our business, prospects, profitability, financial position and results of operation.

We may face risks relating to potential future investments or acquisitions.

From time to time, we may evaluate potential strategic investments or acquisitions to enhance our service and product offerings, technological capabilities or geographic presence. However, there can be no assurance that we will be able to identify suitable targets, negotiate favorable terms, obtain necessary approvals or funding, or complete any such transaction on commercially acceptable terms or at all.

Any future investments or acquisitions would involve numerous risks, including difficulties in integrating acquired operations or personnel, diversion of management attention, assumption of unexpected liabilities, and potential impairment charges if the acquired business fails to perform as expected. Additionally, any such transaction could increase our costs or lower our margins, particularly in the short term. We cannot assure you that any future investment or acquisition will be successful or will not have a material adverse effect on our business, financial condition or results of operations.

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If we fail to maintain an effective quality control system, our product quality and service quality, and thus our business, may be materially and adversely affected.

The quality, performance and safety of our products and services are critical to our customers, our reputation and, ultimately, our success. Therefore, we have established and maintained stringent quality assurance standards and inspection procedures, including quality control for raw materials, parts and equipment. The effectiveness of our quality control system is determined by various factors, including systematic design, implementation of quality standards, quality of training programs, and monitoring of our employees’ compliance with our quality control policies and guidelines. Failure to maintain an effective quality control system may result in defective products or services that will expose us to risks relating to liabilities and indemnity claims from our customers, and undermine our reputation and relationships with existing customers, thereby materially and adversely affecting our business.

We have historically recorded net current liabilities, and may not generate sufficient cash flow in the future to finance our operations or satisfy our current liabilities.

We have historically recorded net current liabilities, which may impair our ability to generate sufficient cash flows in the future to finance our operations and meet our obligations. As of December 31, 2023 and 2024, we had net current liabilities of RMB156.5 million and RMB63.4 million respectively. This position improved to net current assets of RMB35.3 million as of December 31, 2025. However, as of March 31, 2026, we had net current liabilities of RMB33.0 million. The net current liability position as of March 31, 2026 was primarily attributable to significant increases in contract liabilities and bank loans and other borrowings, reflecting advance payments received from customers for new projects and increased financing activities to support our business expansion.

We cannot assure you that we will not have a net current liabilities position in the future. A net current liabilities position may expose us to liquidity risk which could restrict our ability to make necessary expenditures to develop business opportunities, and our business, operating results and financial condition could be materially and adversely affected. Additionally, if we are unable to generate sufficient cash flow for our operations, or to obtain sufficient funds to finance our operations, our business operations, liquidity and ability to raise funds may be materially and adversely affected by our net current liabilities and negative cash flow from operations. In such circumstances, our business, financial position, results of operations and prospects may be materially and adversely affected.

We had net cash outflows from operating activities in 2024. If we continue to have negative operating cash flows in the future, our liquidity and financial condition may be materially and adversely affected.

We incurred net cash outflow from operating activities in 2024. Our net cash used in operating activities was of RMB82.5 million in 2024, compared to net cash inflow from operating activities of RMB56.9 million in 2023 and RMB134.5 million in 2025. See “Financial Information — Liquidity and Capital Resources — Cash Flows.” Our ability to generate net operating cash inflows is affected by various factors, many of which are beyond our control, including our ability to achieve sustainable profitability, carry out our business activities efficiently, effectively manage payables and receivables for liquidity purposes, as well as changes in general market conditions, the regulatory environment and competition in the intelligent energy management service industry in which we operate. Any adverse change in any of these factors may create a capital shortfall and could adversely affect our liquidity. We cannot guarantee that our cash from operating activities will continue to be positive, and there is no assurance that our operating activities will be able to generate net operating cash flow to satisfy our capital and liquidity needs at all times, or at all.

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We may be unable to perform our obligations under contractual liabilities, which could have a material adverse effect on our business, reputation and liquidity position.

We may encounter difficulties in fulfilling our obligations related to contract liabilities. During the Track Record Period, contract liabilities primarily consisted of advance payments received from customers for contracts where revenue recognition was deferred in accordance with contractual terms, pending the satisfaction of performance obligations. Specifically, as of December 31, 2023, 2024, and 2025, our contract liabilities recorded at RMB109.0 million, RMB74.6 million and RMB78.9 million, respectively. The recognition of these contract liabilities as revenue depends on the completion of future performance obligations and, as such, may not be indicative of our actual future revenue performance.

If we fail to fulfill our obligations, or if customers raise disputes regarding the solutions or services we provide, we may not be able to recognize the entire balance of contract liabilities as revenue. Instead, we may be required to refund the relevant deposits, which could have a material adverse effect on our business, reputation, and liquidity position.

We are exposed to credit risks relating to our trade receivables.

We are subject to the credit risks of our customers. Our profitability and cash flow depend on our receipt of timely payments from our customers. During the Track Record Period, our contractual credit terms with customers were generally within 90 days. However, we cannot assure you that the collection of amounts due from our customers will be timely. Slow collection may result in slow turnover of our trade and bills receivables and restrict our working capital resources. During the Track Record Period, our trade receivables turnover days were 91 days, 113 days and 149 days, respectively. We seek to maintain stable and long-term relationships with our customers. As part of this strategy, we offer extended credit terms to certain customers. These customers primarily comprise those with a repurchase history or customers that demonstrate strong creditworthiness, and strategic customers with whom we intend to deepen our cooperation.

Our trade receivables turnover days are also affected by the payment cycles of certain customers. For our intelligent energy efficiency solutions, we receive payments upon achieving specified milestones, including contract signing, design completion, equipment delivery, installation completion and final acceptance. For our intelligent energy operation and management solutions, payments are typically received on a monthly or quarterly basis based on actual energy consumption or shared energy savings. Actual timing of customer payments can vary depending on factors such as customer liquidity, internal approval processes, and disputes related to energy savings or project scope or quality. Additionally, certain customers' payment schedules are influenced by their internal budget approval and settlement procedures, which may be extended or delayed due to factors beyond our control.

If any of our customers faces unexpected situations, such as financial difficulties or deterioration in creditworthiness, we may face challenges in collecting full or partial payments from them, and enforcing judgment debts against them could be difficult. These unforeseen circumstances may also render our judgments or estimations on expected credit loss allowances on trade receivables inaccurate, potentially resulting in higher losses than currently estimated. If we fail to receive payments from our customers on a timely basis, our cash flows and financial condition could be materially and adversely affected.

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The discontinuation, reduction or withdrawal of any financial incentives or preferential treatments currently available to us in the PRC could adversely affect our financial condition, results of operations, cash flows and prospects.

During the Track Record Period, we benefited from various government grants, subsidies, and preferential tax treatment. As of the Latest Practicable Date, our Company and Xinfu Zhilian qualified as a High and New Technology Enterprise (高新技術企業) and was therefore entitled to a preferential enterprise income tax rate of 15% under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》).

Our continued eligibility for these financial incentives depends on our compliance with relevant qualification criteria. These incentives are granted at the discretion of PRC central or local government authorities, which may at any time decide to cancel, reduce, or modify such financial incentives or preferential treatments, typically with prospective effect. Because our receipt of these incentives is subject to periodic delays and inconsistent administrative practices, our net income in any period may fluctuate and be higher or lower than in other periods. This fluctuation may result from changes to these financial incentives, in addition to other business and operational factors. If our renewal applications are not approved by the relevant tax authorities, we may face an increased enterprise income tax rate in the foreseeable future. As a result, the termination, reduction, or withdrawal of the financial incentives and preferential treatments currently available to us could have a material adverse effect on our financial condition and results of operations.

Our reliance on IT systems and other infrastructure exposes us to various risks, including cybersecurity threats.

We use a range of IT and automated operating systems to improve the efficiency and accuracy of our operations. The proper functioning of these systems is critical to the effective operation and management of our business. These systems may need modifications or upgrades to keep pace with technological advancements or support our business growth, which could be costly, disrupt our operations, and require significant management resources.

Our systems, as well as those of our third-party service providers, may be vulnerable to damage or disruption from events beyond our control. These events include catastrophic incidents, power failures, natural disasters, computer or network breakdowns, viruses or malware, physical or electronic intrusions, unauthorized access, cyber-attacks, and data theft. We cannot guarantee that the measures we have implemented to protect our systems and electronic information will be sufficient. Any material disruption to our systems could lead to the unauthorized disclosure of confidential information and materially and adversely affect our business and results of operations.

Our business is highly dependent on our ability to attract, develop and retain key personnel and highly skilled employees.

Our success depends significantly on the capabilities, experience, and continued service of our key personnel, including key executives and R&D personnel. We rely on their professional expertise and industry experience to formulate business strategies, conduct research and development, manage daily operations, and maintain relationships with key customers and suppliers. If any of our key personnel cease to provide services, we may be unable to find suitable replacements with comparable qualifications and experience, which could materially and adversely affect our business, financial condition, results of operations, and future prospects.

Our success also depends on our ability to attract and retain skilled, qualified personnel. We cannot assure you that we will be successful in recruiting or retaining the key personnel we need. To attract and retain such personnel, we may need to offer competitive remuneration and other benefits. We

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also cannot assure you that we will have sufficient resources to meet our staffing requirements or that our costs and expenses will not increase materially due to higher recruitment and retention expenses. If we fail to attract and retain competent personnel or there is any material increase in related staffing costs, our competitiveness and business growth may be materially impaired. Such a failure could materially and adversely affect our business, financial condition and results of operations.

Labor-related disruption or cost increase, particularly during our phase of expansion, could adversely affect our business and financial performance.

While our operations leverage advanced hardware, proprietary software and automated manufacturing processes, we remain dependent on a skilled workforce for project execution, R&D, and operations and maintenance. During periods of expansion, such as when we scale our R&D activities, recruit teams for new sectors, or expand our geographic presence, our reliance on labor intensifies significantly as we recruit, train and integrate new technical and operational personnel.

Any significant labor disruption, including strikes, work stoppages, or widespread employee dissatisfaction, could materially disrupt our project delivery, delay our R&D progress, and harm our reputation with customers. We cannot assure you that such events will not occur in the future, especially as our workforce grows. Additionally, competitive pressures for specialized talent in our industry, coupled with broader inflationary trends, could lead to sustained increases in labor costs. If such cost increases cannot be offset through productivity gains or passed on to customers, our profit margins and financial results could be adversely affected.

Although we continue to invest in automation and standardized solutions, the risks associated with workforce management, particularly during phases of growth and expansion, remain a meaningful factor that could affect our operational stability and profitability.

Our risk management and internal control systems may not be adequate or effective.

We have developed and implemented comprehensive risk management and internal control policies covering various aspects of our business operations. These policies are designed to supervise and address a range of operational, financial, legal, and market risks that have been or may be identified. While we continuously seek to improve our risk management and internal control systems, we cannot assure you that these systems are sufficiently effective. See “Business – Internal Control and Risk Management.”

Our risk management and internal control systems rely on implementation by our employees. As a result, we cannot assure you that our employees or other relevant third parties are adequately or fully trained to implement these systems, or that their implementation will be free from human error. If we fail to timely update, implement, or modify our risk management policies and procedures or fail to allocate sufficient human resources to maintain them, our business, results of operations, financial condition, and future prospects could be materially and adversely affected.

If we become subject to litigation, legal or contractual disputes, governmental investigations, arbitration or administrative proceedings, our management’s attention may be diverted and we may incur substantial costs and liabilities.

During our ordinary course of business, we may be involved in claims, disputes and legal proceedings from time to time relating to, among others, construction projects, lease arrangements, product liability, quality control, environmental protection, tax declaration, breach of contract, employment or labor disputes and infringement of intellectual property rights. Construction-related disputes, in particular, are not uncommon in our industry given the nature of our projects, which involve engineering and installation work. Unresolved or threatened litigation, legal or contractual disputes,

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governmental investigations, arbitration or administrative proceedings involving us or our employees may divert the attention of our management, cause interruptions to our business and result in damages, liabilities and substantial costs.

Additionally, any litigation, legal or contractual disputes, governmental investigations, arbitration or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. If the outcomes of these proceedings are less favorable to us, we could be required to pay significant legal costs and monetary damages, assume legal and other liabilities and even to suspend or terminate the related business projects.

Further, negative publicity arising from litigation, legal or contractual disputes, governmental investigations, arbitration or administrative proceedings may damage our reputation and adversely affect our brand image. As a result, our business, results of operations and financial condition may be materially and adversely affected.

We may be subject to intellectual property infringement claims, which may be expensive and time-consuming to defend and may disrupt our business and operation by diverting our financial and management resources.

We depend to a large extent on our ability to develop and maintain the intellectual property rights relating to our business. We cannot be certain that third parties will not claim that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights that they hold. We may be involved in litigation in respect of our technology-based services in relation to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of other parties’ rights. The validity, enforceability and scope of protection of intellectual property rights are not consistently developed in the jurisdictions where we operate. We may face allegations that we have infringed on the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes, we face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources, and favorable final outcomes may not be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and prospects.

We may not be able to take or maintain adequate intellectual property rights protection for our services and solutions, which may adversely impact on our business, financial performance and results of operation.

Our intellectual property rights are critical to our success. As of December 31, 2025, we held 19 invention patents, 45 utility model patents, 48 software copyrights, 10 trademarks, one domain name and one copyright in China, and one trademark in Hong Kong. We rely on a combination of intellectual property protection laws and contractual arrangements, including confidentiality and non-competition agreements with our employees and key personnel, to establish and protect our proprietary technologies, know-how and other intellectual property rights.

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However, various factors beyond our control may threaten our intellectual property rights and, consequently, our services and solutions. Protecting intellectual property is costly and challenging, both in terms of application and maintenance expenses and in defending and enforcing these rights. The measures we have taken to protect our intellectual property may not be sufficient or effective. Our intellectual property rights may be infringed, misappropriated, or challenged, potentially resulting in them being narrowed in scope, declared invalid, or rendered unenforceable.

Furthermore, our reliance on unpatented proprietary information and technology, including trade secrets and confidential information, depends in part on agreements with employees and third parties that restrict the use and disclosure of such information. These agreements may be insufficient or be breached, potentially leading to unauthorized use or disclosure of our trade secrets and intellectual property, including to competitors. As a result, we could lose the competitive advantage derived from our intellectual property. Any significant impairment of our intellectual property rights or limitations on our ability to enforce them against others could materially and adversely affect our business.

Our insurance coverage may not be sufficient to cover all the losses associated with our business operations.

We maintain insurance coverage in compliance with applicable PRC laws and regulations and based on our assessment of operational needs. During the Track Record Period, we maintained insurance policies including property all risks insurance, machinery breakdown insurance, construction all risks insurance and personal accident insurance. We also provided social insurance for our employees as required by PRC regulations, including pension insurance, unemployment insurance, work injury insurance, maternity insurance and medical insurance.

We cannot assure you that our insurance coverage will be sufficient to protect us from all losses. We also cannot assure you that we will be able to successfully claim compensation for our losses under our current insurance policies in a timely manner or at all. If we incur any loss that is not covered by our insurance policies, or if the compensation amount is significantly less than our actual loss, our business, financial condition, and results of operations could be materially and adversely affected.

We may face penalties for the non-registration of our lease agreements in China.

As of the Latest Practicable Date, the lease agreements with respect to two properties we leased for office and business premises had not been registered with the relevant PRC government authorities. As advised by our PRC Legal Adviser, failure to complete the lease registration will not affect the validity of the lease agreement according to PRC law. However, if the competent PRC government authorities request us to rectify such non-compliance and we fail to do so within the prescribed time limit, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease agreement. During the Track Record Period and up to the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant PRC government authorities. We cannot assure you that our lessor will cooperate with us to register the lease agreement in the future, or that we will not be subject to fines or other penalties for non-registration.

Our engagement of third-party agencies to make social insurance housing provident fund contributions on our behalf during the Track Record Period may subject us to penalties or labor disputes.

Regarding our employees in China, we are required under PRC law to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, up to a maximum amount specified by the local government. During the Track Record Period, we had engaged third-party agencies to pay social insurance or housing provident fund contributions to certain employees. As of the

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Latest Practicable Date, any non-compliance related to the payment of social insurance and housing provident fund contributions through third-parties had been fully rectified. Pursuant to the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) enacted by the Supreme People’s Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people’s court. In light of: (i) the absence of prior agreements for non-payment of social insurance payments, or major complaints, reports, or labor disputes related to social insurance against our Group during the Track Record Period and up to the Latest Practicable Date; and (ii) our PRC Legal Advisor’s opinion that the aforementioned judicial interpretation does not expand our Company’s penalty exposure or repeal the social insurance laws and regulations currently in force of the PRC, our Directors believe the aforementioned judicial interpretation would not have a material adverse effect on our business or financial results. However, while our PRC Legal Advisor believes that, under the assumptions that no material changes to prevailing policies, regulations and the local government enforcement requirements, and absence of material complaints from employees, the risk of additional contributions, late payment fees, or material administrative penalties by regulatory authorities, is remote and unlikely to have a material and adverse effect on us, we cannot guarantee that government authorities will share this view. We may also be subject to labor disputes arising from such arrangements with the relevant employees.

We are subject to anti-corruption and anti-bribery and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery and similar laws and regulations in various jurisdictions in which we conduct activities. We have direct or indirect interactions with officials and employees of government agencies, state-owned entities and affiliates in the ordinary course of business. These interactions subject us to an increased level of compliance related concerns. We have implemented policies and procedures designed to ensure compliance by us and our Directors, officers, employees, representatives, consultants, agents and business partners with laws and regulations. However, our policies and procedures may not be sufficient, and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption or anti-bribery laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation.

Misconduct by our employees or business partners may materially adversely affect our reputation, business and results of operations.

Any misconduct or improper conduct by our employees, our business partners, or their respective employees may expose us to material legal liabilities, reputational damage, and other harm. Such outcomes may materially and adversely affect our business. We rely on our employees to conduct and manage our business operations and have implemented an internal code of conduct to regulate their behavior. However, we cannot exercise full control over our employees’ conduct. Any improper act, breach of duty, or misconduct by our employees may materially damage our reputation and materially and adversely affect our business.

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In the ordinary course of our operations, we also depend on our business partners. These partners include suppliers and original equipment manufacturers that provide raw materials, components, and equipment, as well as subcontractors that offer installation services. Although we have adopted due diligence and vetting procedures to select our business partners, we cannot assure you that we can effectively monitor their activities or ensure the quality and stability of their equipment, components, and services. Any unsatisfactory performance, breach of contract, or misconduct by our business partners or their employees may materially and adversely affect our business, results of operations and financial condition.

Changes in Environmental, Social and Governance (ESG) compliance requirements could have an adverse impact on our business, operating results and financial condition.

With the rising awareness of ESG issues, including with respect to waste disposal, packaging waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure compliance with the ESG-related laws and regulations applicable to us. See “Business — Environmental, Social and Governance.” There can be no assurance that these measures can effectively help us to navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs and accordingly may have an adverse impact on our results of operation, financial conditions, business and prospects.

Our operations may be significantly disrupted by risks associated with natural disasters, epidemics, and other outbreaks.

Our operations are vulnerable to interruption and damage from natural disasters and other calamities, such as fires, floods, severe weather conditions, earthquakes, power failures, civil unrest, and acts of terrorism. Due to their nature, we cannot predict the incidence, timing and severity of catastrophes. In addition, changing climate conditions, primarily rising global temperatures, may increase, or may in the future increase, the frequency and severity of natural catastrophes. If any such catastrophes or extraordinary events were to occur in the future, our ability to operate our business could be seriously impaired, and therefore adversely affect our results of operation, financial conditions, business and prospects.

In addition, our business could be affected by public health epidemics and pandemics. Even if we are not directly affected, such disaster or disruption could affect the operations or financial conditions of our customers or our supply chain, which could harm our results of operations. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of our offices or otherwise disrupt our business operations and adversely affect our results of operation, financial conditions, business and prospects.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

The economic and social conditions in China could affect our business, results of operations, financial conditions and prospects.

During the Track Record Period, all of our revenue was derived from our businesses in China. Accordingly, our business, financial condition, results of operations and prospects are subject to economic, political and legal developments in China. In particular, factors such as consumer, corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business.

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The PRC economy has experienced significant growth over the past decades since the implementation of China’s reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. If the business environment in China changes, our business in China may also be affected.

Any uncertainties embedded in the legal systems of certain jurisdictions where we operate could adversely affect our business, financial condition and results of operations and our investors could be affected as a result.

The legal systems of the jurisdictions where we operate vary significantly. Some jurisdictions have a civil law system based on written statutes and others are largely based on common law. Unlike common law systems where the case laws have binding effects, prior court decisions under civil law systems may be cited for reference but have limited precedential value. We are based in China and our business in China are governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. As the legal system in China continues to develop, laws and regulations may continue to evolve and be subject to interpretation. As these laws and regulations are continually evolving in response to changing economic and other conditions, we cannot foresee how these laws, rules and regulations will be interpreted and enforced, which may adversely affect the legal protections and remedies that are available to us and our investors.

Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations and affect the value of your [REDACTED].

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, any changes to these foreign exchange policies that prevent us from obtaining sufficient foreign currencies may affect our ability to pay dividends in foreign currencies to our H Shareholders.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are incorporated under the laws of the PRC as a limited liability entity, with a portion of our assets located within the PRC. Additionally, the majority of our Directors and senior management personnel reside in the PRC, and most of their assets are also based there. Consequently, serving legal process upon us or our key personnel outside the PRC, including in the United States or other foreign jurisdictions, may be challenging. The recognition and enforcement of foreign court judgments across jurisdictions remain complex. The PRC does not have treaties with the United States, the United Kingdom, Japan, or many other countries that allow for the reciprocal recognition and enforcement of court rulings. Similarly, Hong Kong has no formal arrangement for the mutual enforcement of judgments with the United States. This lack of legal reciprocity creates uncertainty in the recognition and enforcement of judgments from foreign courts within the PRC and Hong Kong. To address certain trans-jurisdictional enforcement challenges, the Supreme People’s Court of the PRC and the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) on July 14, 2006 (the “2006

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Arrangement”). Under this agreement, enforceable final judgments requiring payment in civil and commercial cases may be recognized and enforced between the PRC and Hong Kong, provided they result from a pre-existing written choice of court agreement. Without such an agreement, enforcement of a Hong Kong court judgment in the PRC remains uncertain. A more recent arrangement between the Supreme People’s Court of the PRC and the Hong Kong government, signed on January 18, 2019, and effective as of January 29, 2024, has removed the prior requirement for a written choice of court agreement in civil and commercial cases. However, the 2006 Arrangement continues to govern cases involving jurisdiction agreements established before the implementation of the 2019 Arrangement. Given its recent enactment, the application and enforcement of the new framework will depend on the relevant laws and regulations in effect at the time, necessitating further interpretation as legal precedents develop.

Payment of dividends is subject to laws and regulations in regions where we operate.

Under the PRC laws, dividends may be paid only out of distributable profits. Our distributable profits represent our distributable net profits less appropriations to statutory surplus reserve, general reserve, and discretionary surplus reserve (as approved by our Shareholders’ meeting). Our distributable net profit represents the lowest of: (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under IFRS Accounting Standards. As a result, we may not have sufficient distributable profits to make dividend distributions to our Shareholders in the future, including in respect of periods where we register an accounting profit. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, the liquidity and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the [REDACTED], there was no [REDACTED] for our H Shares. We cannot guarantee that an active [REDACTED] for our H Shares will develop or be sustained following the completion of the [REDACTED]. The [REDACTED] was determined through negotiations between our Company, the [REDACTED] (for themselves and on behalf of the [REDACTED]) and may not be indicative of the [REDACTED] at which our H Shares will [REDACTED] after the [REDACTED]. The [REDACTED] of our H Shares may fall below the [REDACTED] at any time following the completion of the [REDACTED].

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] of our H Shares may fluctuate widely in response to factors beyond our control, including general market conditions in the securities markets of Hong Kong, Mainland China, the United States and other global markets. In particular, the market price performance and volatility of other companies with predominantly Mainland China-based operations listed in Hong Kong may affect the price volatility and trading volume of our H Shares. A number of Mainland China-based companies have listed or are in the process of seeking a listing in Hong Kong. Some of these companies have experienced significant share price volatility, including substantial declines following their initial public offerings. The trading performance of these companies at the time of or following their offerings may influence overall investor sentiment toward Chinese Mainland based companies listed in Hong Kong, which in turn may affect the [REDACTED] performance of our H Shares. Under applicable PRC laws, all existing Shareholders (including [REDACTED] Investors) are prohibited from disposing of any Shares held by them for a 12-month period commencing on the [REDACTED]. This lock-up arrangement may materially

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restrict the liquidity and trading volume of our H Shares in the immediate period following the [REDACTED]. These factors may materially affect the market price and volatility of our H Shares, irrespective of our actual operating performance.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] for the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. As a result, purchasers of the [REDACTED] in the [REDACTED] will experience immediate dilution in [REDACTED] consolidated net tangible asset value per H Share. To support our business expansion, we may consider [REDACTED] and issuing additional Shares in the future. If we issue such additional Shares at a price lower than the net tangible asset value per H Share at the time of issuance, purchasers of the [REDACTED] may suffer further dilution in the net tangible asset value per H Share they hold. Additionally, we may issue Shares under any existing or future equity incentive plans, which would further dilute the interests of our Shareholders in our Company.

Future sales or perceived sales of substantial amount of our Shares in the public market, particularly by our Directors, executive officers and substantial Shareholders, could materially and adversely affect the prevailing [REDACTED] of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and substantial Shareholders, or the perception or anticipation that such sales might occur, could negatively impact the [REDACTED] of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. A certain amount of the Shares controlled by our existing Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [REDACTED] of our Shares.

The interests of our Controlling Shareholder may not be aligned with the interests of other Shareholders.

Immediately upon completion of the [REDACTED], our Controlling Shareholder will be entitled to exercise approximately [REDACTED] of the voting rights at our general meeting. As a result, our Controlling Shareholder will have significant influence over our business operations and strategic decisions, including those related to mergers, consolidations, liquidations, the sale of all or substantially all of our assets, the election of directors, and other major corporate actions.

Our Controlling Shareholder may take actions that are not in the best interests of our Company or our other Shareholders. This concentration of ownership may discourage, delay, or prevent a change in control of our Company. Such a scenario could deprive our other Shareholders of the opportunity to receive a premium for their Shares in connection with a sale of our Company and may reduce the [REDACTED] of our H Shares. This concentrated control will also limit your ability to influence corporate matters and could deter others from pursuing potential mergers, takeovers, or other change-of-control transactions that other holders of our Shares may consider beneficial.

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We are a mainland China enterprise and we are subject to mainland China tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to mainland China income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the mainland China and a non-mainland China investor’s jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises, which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a mainland China withholding tax at a rate of 20% and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in mainland China. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發 [1993]045號文件廢止後有關個人所得稅徵管問題的通知》)(Guo Shui Han [2011] No. 348)(國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to individual income tax of mainland China at the withholding tax rate of 10%, in which the non-mainland China resident individual holder of H Shares resides as well as the tax arrangement between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of mainland China and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》)(Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》)(Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-mainland China resident individuals on the sale of shares of mainland China resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your [REDACTED] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

RISK FACTORS

Any future possible conversion of our Unlisted Shares into H Shares may increase the supply of our H Shares in the market and negatively impact the market price of our H Shares.

Subject to the completion of filings with the securities regulatory authority under the State Council, all of our Unlisted Shares may be converted into H Shares, and such converted Shares may be listed or traded on an overseas stock exchange. Any listing or trading of the converted Shares on an overseas stock exchange will also be subject to the applicable regulatory procedures, rules and requirements of such exchange. No separate class shareholder vote is required for the listing and trading of the converted Shares on an overseas stock exchange. However, the PRC Company Law provides that shares issued prior to a company’s public offering may not be transferred within one year from the date of listing. Accordingly, following completion of the requisite filings, our Unlisted Shares may be converted into H Shares and traded on the Stock Exchange one year after the completion of the [REDACTED]. Such conversion and [REDACTED] may further increase the supply of our H Shares in the market and materially adversely affect the [REDACTED] of our H Shares.

Certain facts, forecasts, statistics and information in this document relating to the energy management solution industry may not be fully reliable.

Certain facts, forecasts and statistics in this document relating to the energy management industry in which we operate are derived from various sources we consider reliable, including official government publications, third-party reports, either commissioned by us or publicly accessible, and other public sources. We have exercised reasonable care in reproducing or extracting such information. However, we do not guarantee the quality or reliability of these sources. Specifically, none of us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], nor our or their respective affiliates or advisers, have independently verified such information. Owing to potential limitations in data collection methodologies, inconsistencies between published information and market practice, or other deficiencies, statistics in this document relating to the intelligent energy management solutions industry may be inaccurate or not comparable to statistics compiled for other markets, and should not be unduly relied upon. No representation or warranty is given as to the accuracy, completeness or fairness of such facts, forecasts and statistics obtained from third-party or public sources. Furthermore, such facts, forecasts and statistics are subject to risks, uncertainties and changes due to various factors, and should not be unduly relied upon. There can also be no assurance that they are prepared, presented or compiled on a consistent basis or with the same degree of accuracy as information or statistics published elsewhere.

We cannot assure you that we will declare and distribute any dividends in the future. If we do not pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your investment.

We cannot assure you when or in what form dividends will be paid on our H Shares following the [REDACTED]. The declaration and distribution of dividends are entirely at the discretion of our Board. Our ability to pay dividends or make other distributions to shareholders is subject to a variety of factors, including our business and financial performance, capital requirements, regulatory constraints, and general market and business conditions. We may not generate sufficient profits, or any profits at all, to enable dividend distributions to shareholders in the future, even if our financial statements reflect historical profitability. Accordingly, we cannot assure you that we will declare or pay any dividends on our H Shares in the future. See “Financial Information – Dividends.”

If we retain most or all of our available funds and future earnings following the [REDACTED] to finance the development and commercialization of our new product candidates, we do not expect to pay any cash dividends in the foreseeable future. You therefore should not rely on an investment in our H Shares as a source of current or future dividend income. Even if our Board determines to declare and

RISK FACTORS

pay dividends, the timing, amount and form of any future dividends will depend on our future operating results and cash flows, financial condition, general business conditions, business strategies, projected working capital needs, expansion plans, legal, regulatory and contractual restrictions, and other factors the Board considers relevant. As a result, your return on investment in our H Shares will likely depend entirely on any future price appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value following the [REDACTED], or even maintain the price at which you subscribed for or purchased them. You may not achieve any positive return on your investment in our H Shares, and you may lose your entire investment.

This document contains forward-looking statements relating to our plans, objectives, expectations and intentions, which may not represent our overall performance for periods of time to which such statements relate.

This document contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “may,” “ought to,” “should” or “will” or similar terms. Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors in the H Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by us that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. See “Forward-looking Statements.”

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our industry or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this document.

Prior to the completion of the [REDACTED], there may be press and media coverage regarding our Group and the [REDACTED]. Our Directors would like to emphasize to prospective investors that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our H Shares. In making decisions as to whether to [REDACTED] in our H Shares, prospective investors should rely only on the financial, operational and other information included in this document. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [REDACTED]. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, the applicant must have sufficient management presence in Hong Kong. This normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, the applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. Our headquarters and business operations are based, managed and conducted in the PRC. Currently, all of our executive Directors ordinarily reside in the PRC. As our executive Directors play very important roles in our business operations, it is in our best interests for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily residents in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) we have appointed Mr. Heng Size and Ms. Kwok Yan Ting Jennis (郭恩廷) (“**Ms. Kwok**”) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our principal channel of communication with the Stock Exchange. The authorized representatives will be readily contactable by the Stock Exchange by phone, facsimile and/or email to promptly deal with enquiries from the Stock Exchange. Our Company has provided contact details of the authorized representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any change in our Company’s authorized representatives;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Each Director must provide his or her contact information to the Stock Exchange and the authorized representatives pursuant to Rule 3.20 of the Listing Rules;
- (c) in the event that a Director expects to travel and/or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to the authorized representatives;
- (d) we will endeavour to ensure that all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) we have appointed Red Solar Capital Limited as our compliance advisor upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our compliance advisor will serve as the additional channel of communication with the Stock Exchange when our authorized representatives are not available and will have access at all times to our authorized representatives, our Directors and our senior management who will provide such information and assistance as our compliance advisor may reasonably request in connection with the performance of its duties as set out in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, senior management and our compliance adviser, and will keep our compliance adviser fully informed of all communications and dealings between us and the Stock Exchange; and
- (f) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, an issuer must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (a) whether the applicant has principal business activities primarily outside Hong Kong;
- (b) whether the applicant is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Chapter 3.10 of the Guide for New Listing Applicants) or Relevant Experience (as defined under Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the applicant’s company secretary.

Further, pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the applicant.

Our Company’s principal business activities are located outside of Hong Kong and there are practical difficulties in finding persons who possess day-to-day knowledge of our Company’s affairs while also having the academic and professional qualifications as required. Our Company has appointed Mr. Lu Ye (陸曄) (“**Mr. Lu**”) as one of our joint company secretaries. Our Directors are of the view that, considering Mr. Lu’s past management experience within our Group, his thorough understanding of the internal administration and business operations of our Group as well as his industry knowledge, he is a suitable person to act as a joint company secretary of our Company. However, he presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Kwok, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Lu for an initial period of three years from the [REDACTED] to enable him to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. Further biographical details of Mr. Lu and Ms. Kwok are set out in the section headed “Directors, Supervisors and Senior Management” in this document.

Given Ms. Kwok’s professional qualification and experience, she will be able to explain to both Mr. Lu and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Kwok will also assist Mr. Lu in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Kwok is expected to work closely with Mr. Lu and will maintain regular contact with him, our Directors and the senior management of our Company. In addition, Mr. Lu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by our compliance advisor and our legal advisor as to Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Lu may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Mr. Lu must be

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

assisted by Ms. Kwok who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Kwok ceases to provide assistance to Mr. Lu as a joint company secretary during the Waiver Period or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Lu will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Mr. Lu, having benefited from the assistance of Mrs. Kwok for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

CONNECTED TRANSACTIONS

Our Group entered into and is expected to continue with certain transactions which would constitute partially exempt and non exempt continuing connected transactions under Chapter 14A of the Listing Rules, following completion of the [REDACTED]. We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules in respect of such partially exempt and non exempt continuing connected transactions. For details, please refer to the section headed “Connected Transactions” in this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
<i>Executive Directors</i>		
Mr. Huang Yi (黃毅)	54-1-401, Phase III Xincheng Garden Wuxi, Jiangsu Province PRC	Chinese
Mr. Heng Size (衡思澤)	1602, Unit 22 Heyun Bodu Xinzhu Wuxi, Jiangsu Province PRC	Chinese
Ms. Li Peipei (李培培)	19-702, Lihu Xiangbin Yuan Binhu District Wuxi, Jiangsu Province PRC	Chinese
<i>Non-executive Directors</i>		
Ms. Tang Lin (唐琳)	Flat 301, No. 20 Shidai Yaju Binhu District Wuxi, Jiangsu Province PRC	Chinese
Ms. Ding Zhuoya (丁卓婭)	No. 79 Cun Dong Tou Mashan West Village Binhu District Wuxi, Jiangsu Province PRC	Chinese
Mr. Wang Hong (王洪)	7-702 Jinghu Meiyuan An Town, Xishan District Wuxi, Jiangsu Province PRC	Chinese
Ms. Wang Ying (王瑛)	Flat 402, No. 81 Chengnan Shijia Wuxi, Jiangsu Province PRC	Chinese
Ms. Han Song (韓頌)	Flat 2806, Block 1 555 Nanchang Road Xuhui District Shanghai PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
<i>Independent non-executive Directors</i>		
Mr. Du Kai (杜垚)	405, Block 47 Cuiping Dongnan Estate 1 Jiangjun Road Moling Street, Jiangning District Nanjing, Jiangsu Province PRC	Chinese
Ms. Lo Bo Yee (勞寶儀)	Flat A, 18F, Tower 1 The Waterside Ma On Shan Hong Kong	Chinese (Hong Kong)
Mr. Zhang Peng (章芃)	Flat 1903, Block 2 Weilan Zhidu, 2 Hanzhongmen Street Gulou District Nanjing, Jiangsu Province PRC	Chinese
Mr. Xu Hongqing (徐宏慶)	No. 261 Unit 2, 4/F, No. 41 West 4th Ring Road Central Haidian District Beijing PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

SUPERVISORS

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
Ms. Qian Rong (錢榮)	Flat 1602, Unit 7 Block 5, Yuehui Yayuan Liangxi District Wuxi, Jiangsu Province PRC	Chinese
Mr. Qiu Kun (邱坤)	No. 1, 7F, Unit 1 Block 6, 3 Aoyuan West Road Jiangjun Road Office Dongxihu District Wuhan, Hubei Province PRC	Chinese
Mr. Chen Zhihao (陳志豪)	Flat 402, No. 6 Tuanjie No. 2 Village Binhu District Wuxi, Jiangsu Province PRC	Chinese

For further information with respect to our Directors and Supervisors, please refer to the section headed “Directors, Supervisors and Senior Management” in this document.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Shenwan Hongyuan Capital (H.K.) Limited

6/F, Three Pacific Place
1 Queen’s Road East
Hong Kong

Guolian Securities International Capital Market Co., Limited

Unit 2103-4, 21st Floor
Li Po Chun Chambers
189 Des Voeux Road Central
Sheung Wan
Hong Kong

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Legal Advisors to our Company

As to Hong Kong law

Jia Yuan Law Office

Suites 3502-3503, 35/F
One Exchange Square
8 Connaught Place
Hong Kong

As to PRC law

Zhong Lun Law Firm

10/11/16/17F
Two IFC
8 Century Avenue
Pudong New Area
Shanghai 200120
PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

**Legal Advisors to the Joint
Sponsors and the
[REDACTED]**

As to Hong Kong law
Jingtian & Gongcheng LLP
Suites 3203-3209, 32/F
Edinburgh Tower
The Landmark
15 Queen’s Road Central
Hong Kong

As to PRC law
Jingtian & Gongcheng
Suite 45/F, K. Wah Centre
1010 Huaihai Road (M)
Xuhui District
Shanghai
PRC

**Auditor and Reporting
Accountants**

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the
Accounting and Financial Reporting Council Ordinance
8th Floor, Prince’s Building
10 Chater Road
Central
Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Room 2504
Wheelock Square
1717 Nanjing West Road
Shanghai
PRC

[REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered Office	2-18-1801, 1802 Longshan Road Xinwu District Wuxi, Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	18/F, Block E Rongzhi Building 2 Longshan Road Xinwu District Wuxi, Jiangsu Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Center 183 Queen’s Road East Wan Chai Hong Kong
Company’s Website	<u>www.gl-jc.com</u> <i>(information contained on the website does not form part of this Document)</i>
Joint Company Secretaries	Mr. Lu Ye (陸曄) 18/F, Block E Rongzhi Building 2 Longshan Road Xinwu District Wuxi, Jiangsu Province PRC Ms. Kwok Yan Ting Jennis (郭恩廷) <i>FCG, HKFCG(PE)</i> 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Authorized Representatives	Mr. Heng Size (衡思澤) 1602, Unit 22 Heyun Bodu Xinzhu Wuxi, Jiangsu Province PRC Ms. Kwok Yan Ting Jennis (郭恩廷) <i>FCG, HKFCG(PE)</i> 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong

CORPORATE INFORMATION

Audit Committee	Ms. Lo Bo Yee (勞寶儀) (<i>Chairlady</i>) Mr. Zhang Peng (章芃) Ms. Tang Lin (唐琳)
Remuneration and Appraisal Committee	Mr. Du Kai (杜堉) (<i>Chairman</i>) Mr. Xu Hongqing (徐宏慶) Ms. Lo Bo Yee (勞寶儀) Mr. Huang Yi (黃毅) Ms. Han Song (韓頌)
Nomination Committee	Mr. Zhang Peng (章芃) (<i>Chairman</i>) Mr. Xu Hongqing (徐宏慶) Mr. Du Kai (杜堉) Mr. Huang Yi (黃毅) Ms. Han Song (韓頌)
Strategy and ESG Committee	Mr. Huang Yi (黃毅) (<i>Chairman</i>) Mr. Xu Hongqing (徐宏慶) Ms. Lo Bo Yee (勞寶儀) Ms. Han Song (韓頌) Ms. Ding Zhuoya (丁卓婭)
Compliance Advisor	Red Solar Capital Limited Unit 402B 4/F, China Insurance Group Building No. 141 Des Voeux Road Central Central Hong Kong
[REDACTED]	[REDACTED]
Principal Banks	Industrial Bank Co., Ltd. Wuxi Branch Exit 5A, Citizen Center Metro Station Binhu District Wuxi, Jiangsu Province PRC China Merchants Bank Wuxi Branch Business Department 6-108 Finance First Street Binhu District Wuxi, Jiangsu Province PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsor, the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED] and no representation is given as to its accuracy.

INTELLIGENT ENERGY MANAGEMENT SOLUTIONS INDUSTRY

Introduction to Intelligent Energy Management Solutions Industry

The intelligent energy management solutions industry is dedicated to provide energy-saving and emission-reduction solutions, including energy diagnostics, project design, investment, retrofitting, and operational management to energy-consuming entities.

A full-cycle intelligent energy management solutions provider refers to a solution-oriented enterprise that leverages a closed-loop solution system spanning the entire “assessment–design–investment–construction–operation–maintenance” chain to provide end-to-end intelligent energy management solutions for clients across various industries.

The intelligent energy management solutions industry is primarily categorized by solution recipient into public and commercial facilities, industrial enterprises, data centers, low-carbon and carbon-neutral industrial parks.

Industry Value Chain of Intelligent Energy Management Solutions Industry

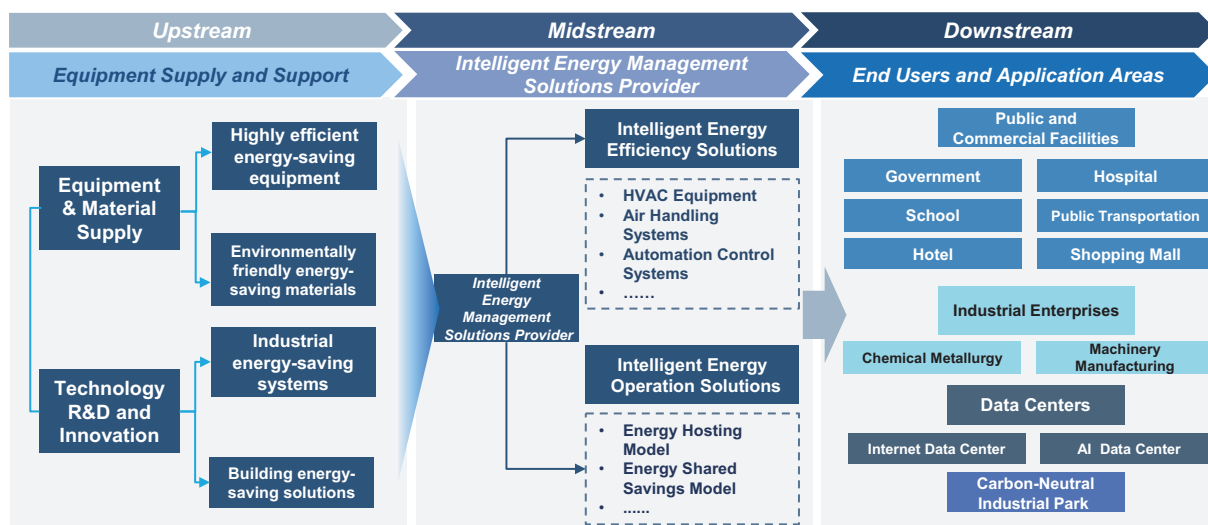
The upstream sector mainly covers the R&D and manufacturing of high-efficiency energy-saving and intelligent energy equipment. These include energy-saving products such as HVAC, energy-saving building materials, heat pumps and high-efficiency lighting (e.g. LED), as well as end devices for energy data collection including smart meters, sensors and controllers.

The midstream sector is the core of the industrial chain, dominated by intelligent energy management solutions providers. Its main business models cover intelligent energy efficiency solutions and intelligent energy operation and management solutions. Intelligent energy operation and management solutions mainly improve efficiency and reduce operating costs for customers through energy hosting model, shared savings model, agency operation solution model, etc.; Intelligent energy efficiency solutions primarily generate revenue through sales of energy management devices and equipment, and renovation construction projects, etc.

The downstream sector mainly serves energy-consuming entities including public and commercial facilities, industrial enterprises, carbon-neutral industrial parks and data centers. As a typical energy-intensive industry, data centers feature 7×24-hour continuous operation and high cooling and IT energy consumption, making them one of the most important application scenarios for intelligent energy management solutions.

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Industry Value Chain of Intelligent Energy Management Solutions Industry



Source: Frost & Sullivan Analysis

Note: Industrial enterprises include low-carbon industrial parks.

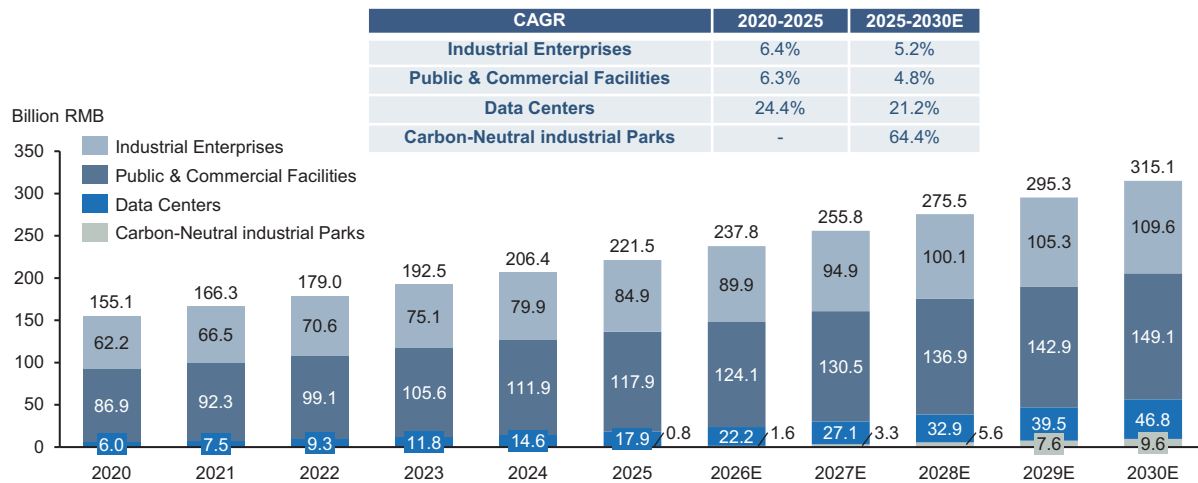
Market Size of Intelligent Energy Management Solutions Industry

China's intelligent energy management solutions market grew from RMB155.1 billion in 2020 to RMB221.5 billion in 2025 with a CAGR of 7.4%, and it is forecast to reach RMB315.1 billion by 2030 with a CAGR of 7.3%.

Breakdown by solution recipient, industrial enterprises market rose from RMB62.2 billion in 2020 to RMB84.9 billion in 2025 with a CAGR of 6.4% and is expected to hit RMB109.6 billion by 2030 with a CAGR of 5.2%. According to the Secretariat of the China Energy Conservation Association, in China, industries such as synthetic ammonia, calcium carbide, cement, flat glass, construction and sanitary ceramics, and other chemical and metallurgical sectors have energy efficiency that is less than 10% better than the benchmark level, hence the intelligent energy management solutions for industrial enterprises still has huge penetration potential. Public and commercial facilities market expanded from RMB86.9 billion in 2020 to RMB117.9 billion in 2025 with a CAGR of 6.3% and is projected to reach RMB149.1 billion by 2030 with a CAGR of 4.8%. AI data centers market surged from RMB6.0 billion in 2020 to RMB17.9 billion in 2025 with a CAGR of 24.4% and is expected to reach RMB46.8 billion by 2030 with a CAGR of 21.2%. Driven by dual-carbon goals, Carbon-neutral industrial parks market reached RMB0.8 billion in 2025 and will maintain fast growth with a CAGR of 64.4% from 2025 to 2030.

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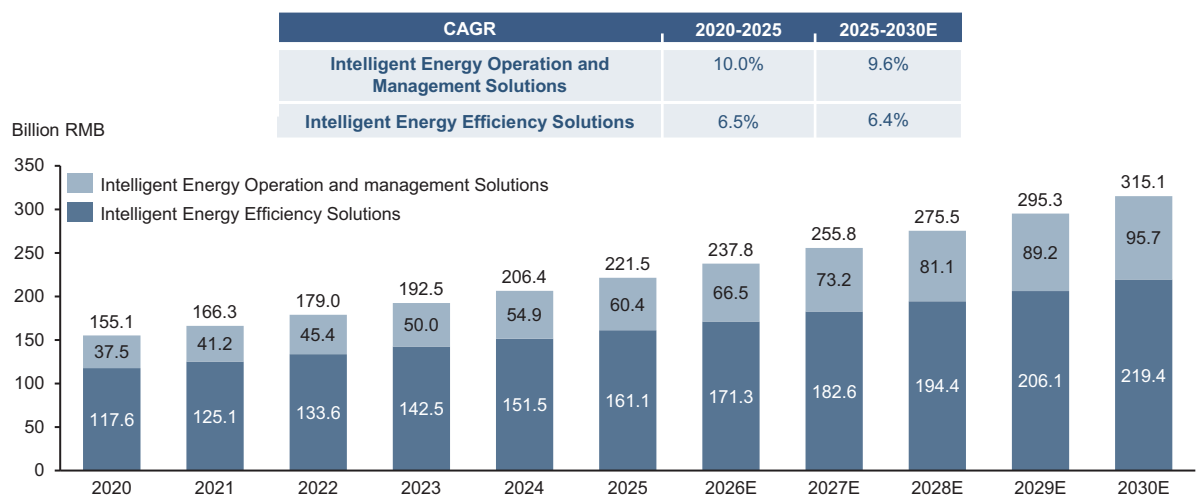
Market Size of Intelligent Energy Management Solutions Industry (China), Breakdown by Solution Recipient, 2020-2030E



Source: Frost & Sullivan Analysis

Breakdown by solution type, the China's intelligent energy management solutions market expanded steadily from 2020 to 2030. The intelligent energy operation and management solutions market increased from RMB37.5 billion in 2020 to RMB60.4 billion in 2025, with a CAGR of 10.0%, and is expected to reach RMB95.7 billion in 2030, at a CAGR of 9.6%. The intelligent energy efficiency solutions market grew from RMB117.6 billion in 2020 to RMB161.1 billion in 2025, representing a CAGR of 6.5%, and is projected to reach RMB219.4 billion in 2030 with a CAGR of 6.4%.

Market Size of Intelligent Energy Management Solutions (China), Breakdown by Solutions Type, 2020-2030E



Source: Frost & Sullivan Analysis

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Full-cycle intelligent energy management solutions provider generally emphasizes providing intelligent energy operation and management solutions, and more than 50% of its revenue is derived from intelligent energy operation and management solutions. Breakdown by solution provider type, revenue of full-cycle intelligent energy management solution providers has increased from RMB8.4 billion in 2020 to RMB15.9 billion in 2025, with a CAGR of 13.6%, and is expected to reach RMB29.0 billion in 2030, at a CAGR of 12.8%. It is expected that competition in the product-based intelligent energy efficiency solutions sector will intensify. Market participants are shifting towards the solution-based intelligent energy operation and management solutions sector. Consequently, the revenue of full-cycle intelligent energy management solutions providers is experiencing rapid growth.

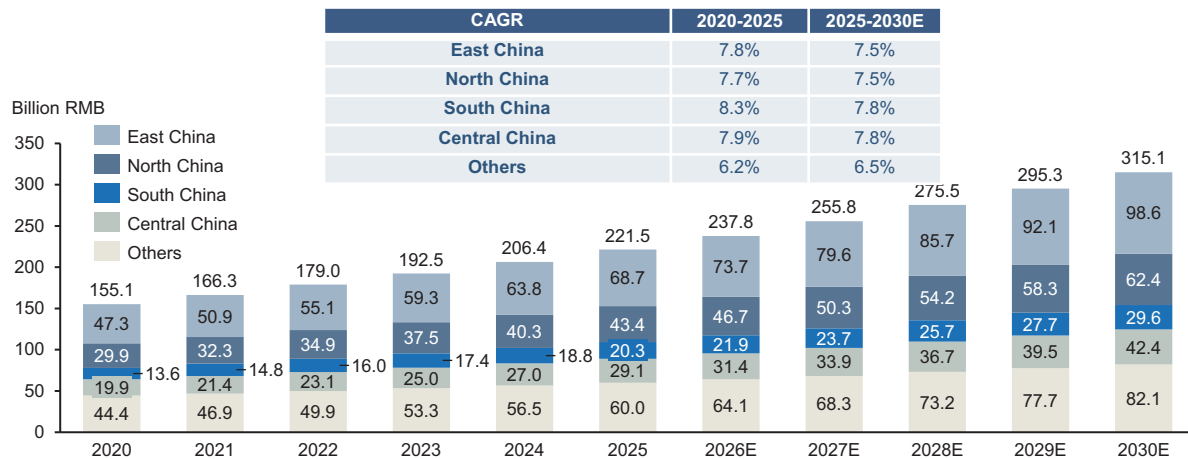
Market Size of Intelligent Energy Management Solutions (China), Breakdown by Solutions Provider Type, 2020-2030E



Breakdown by region, China’s intelligent energy management solutions market grew steadily from 2020 to 2030. East China market rose from RMB47.3 billion in 2020 to RMB68.7 billion in 2025 with a CAGR of 7.8%, and is expected to reach RMB98.6 billion by 2030 with a CAGR of 7.5%. North China market expanded from RMB29.9 billion in 2020 to RMB43.4 billion in 2025 with a CAGR of 7.7%, and is projected to reach RMB62.4 billion by 2030 with a CAGR of 7.5%. South China market increased from RMB13.6 billion in 2020 to RMB20.3 billion in 2025 with a CAGR of 8.3%, and is forecast to reach RMB29.6 billion by 2030 with a CAGR of 7.8%. Central China market grew from RMB19.9 billion in 2020 to RMB29.1 billion in 2025 with a CAGR of 7.9%, and is expected to hit RMB42.4 billion by 2030 with a CAGR of 7.8%. The others segment expanded from RMB44.4 billion in 2020 to RMB60.0 billion in 2025 with a CAGR of 6.2%, and is projected to reach RMB82.1 billion by 2030 with a CAGR of 6.5%.

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**Market Size of Intelligent Energy Management Solutions (China),
Breakdown by Region, 2020-2030E**



Source: Frost & Sullivan Analysis

Note: (1) East China includes Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong province; (2) North China includes Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia province; (3) South China includes Guangdong, Guangxi and Hainan province; (4) Central China includes Henan, Hubei and Hunan province; (5) Others refer to the rest provinces in mainland China.

Market Drivers & Future Trends of China’s Intelligent Energy Management Solutions Industry

Policy Support and Guidance from the “Dual Carbon” Goals: Under the national “Dual Carbon” goals (2030/2060), the construction industry is advancing toward zero-emission buildings. Current policies target energy efficiency improvements in new and existing structures and renewable energy integration, aiming to systematically reduce carbon intensity and drive green transformation in urban development. China shifts from energy to carbon dual controls, set for full implementation by 2026, prompting high-energy users toward retrofits. Concurrently, the 15th Five-Year Plan targets 25% non-fossil energy and carbon-neutral industrial parks. This drives market expansion from simple upgrades to full-cycle intelligent energy management. Meanwhile, national carbon-neutral industrial park policies mandate integrated building energy management, elevating storage and smart microgrids to core infrastructure. This drives demand for grid-forming and long-duration storage technologies, providing high-value application scenarios for the intelligent energy management solutions industry.

Rising Energy Costs and Growing Environmental Awareness: Market-oriented electricity tariff reforms since 2021 have removed price caps for high energy users, with rates for large-scale industries (315KVA or more) rising from RMB0.58/kWh to RMB0.77/kWh from 2020 to 2025. Energy costs now exceed 20% for some manufacturers, driving demand for “investment + managed solutions” models in the intelligent energy management solutions market. Environmental awareness has upgraded from a social and ethical issue to a factor of market competition. Multinational enterprises have put forward carbon disclosure compliance requirements for office premises in their supply chains; tenants take green certification as a reference indicator for site selection decisions; listed companies face quantitative inquiries from ESG rating agencies regarding Scope 2 carbon emissions. Cost savings and brand premiums form a dual incentive, leading to a non-linear surge in the willingness of property owners to procure energy-saving solutions and intelligent energy management solutions.

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Economic Growth and Industrial Structure Upgrading: China’s economy has shifted from a phase of high-speed growth to a phase of high-quality development, with the share of value-added of the tertiary industry in GDP rising to 57.7% in 2025. It increased from RMB5,539.8 billion in 2020 to RMB8,088.8 billion in 2025, registering a CAGR of 7.9%. In over 40% of resource-dependent cities, tertiary industry’s value-added share now exceeds 50%, expanding demand for industrial and commercial spaces. These buildings consume 3 to 5 times more energy than residences with strict environmental requirements, establishing the core demand foundation for intelligent energy management solutions. Furthermore, China’s energy intensity per GDP significantly exceeds international benchmarks, with public buildings, that accounted for 21% of China’s total building floor area but contributed to over 40% of energy consumption and carbon emissions during the operation stage, offering core savings potential. HVAC/lighting consume 80% of energy in large public buildings, with cooling loads 3 to 4 times developed countries, directly quantifying the retrofit market opportunity.

Technological Progress and Innovative Applications: China’s intelligent energy management solution industry is leaping from equipment replacement to digital-driven optimization. IoT, AI, and digital twins enable cloud-edge platforms for remote multi-project management, cutting labor costs and commissioning cycles while achieving economies of scale through technology-intensive solutions. Leading providers integrate intelligent controls with energy platforms, enabling “sensing-diagnosis-optimization-execution” close-loop management solutions. This software-hardware synergy achieves measurable energy reduction through automated systems and data-driven optimization, delivering comprehensive efficiency gains beyond standalone solutions. Breakthroughs in heat pumps, magnetic levitation chillers, gas-bearing chillers, BIPV, and integrated fluorine pumps enable full electrification and commercial deployment. These hardware advances drive industry upgrade from single retrofits to full-cycle intelligent energy management solutions.

Meeting Diverse Needs with Full-cycle Solutions: Demand is shifting from single-point retrofits to full-cycle intelligent energy management solutions. Complex facilities like hospitals now prioritize long-term cost stability over mere savings, outsourcing investment, retrofitting, and operations for predictable expenses and risk transfer. This drives providers toward integrated solution ecosystems with higher customer value. Energy Management Contracting (EMC) is booming across industry, buildings, and transport. In high-growth sectors like new energy industry, this investment model now dominates as the primary approach for energy users to implement carbon reduction retrofits. Solutions providers evolve from technical contractors to energy asset operators, expanding capabilities into digital platforms, and carbon management. This shift reshapes competition rules and value distribution as integrated demand drives industry transformation towards full-cycle intelligent energy management solutions.

Rapid Development of High-Tech Facilities Such as Data Centers: With the advancement of data center construction projects and the explosive growth of intelligent computing demand, the power consumption of data centers has surged, and their Power Usage Effectiveness (PUE) indicator has been brought under strict supervision. This forces property owners to seek professional intelligent energy management solutions providers, directly creating a huge market space, while driving the large-scale application of cutting-edge technologies such as liquid cooling and high-efficiency power distribution. Data centers’ extreme safety demands drive intelligent energy management solutions providers beyond equipment sales toward solutions covering design to operations and maintenance, generating significant demand for energy-saving retrofits. This aligned-interest model significantly boosts contract value and stability. Furthermore, explosive growth of AI data centers (AIDCs) is reshaping the intelligent energy management solutions market. Compared with traditional data centers, AIDCs feature higher heat density and higher power demand, which impose higher requirements on intelligent energy management solutions and drive the demand for solutions providers that can deliver modular, integrated full-cycle intelligent energy management solutions.

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Market Challenges of China’s Intelligent Energy Management Solutions Industry

Pressure from Technological Iteration and R&D Innovation: The industry is undergoing a technological leap from equipment replacement to system optimization, and further to digital-driven operation, with emerging technologies such as large AI models and digital twins gaining accelerated penetration, and continuous breakthroughs in hardware technologies including magnetic levitation centrifugal chillers and liquid cooling. The rapid evolution of technology routes requires enterprises to maintain sustained investment in R&D resources to keep pace with cutting-edge industry developments. The mismatch between R&D input cycles and output cycles may exert operational pressure on enterprises, while incorrect technology selection could put firms at a competitive disadvantage in the market.

Market Competition: Market players are relatively diversified: traditional energy-saving equipment manufacturers are expanding downstream into solution-oriented businesses, large energy groups are entering the sector through cross-border layout, and multinational corporations continue to deepen their presence in China’s intelligent energy management solutions market. The homogeneous competition has intensified price pressure in the industry. As customer demand upgrades to full-cycle energy hosting solutions, requirements for the comprehensive capabilities of solutions providers have risen significantly, and enterprises with insufficient capability boundaries face the risk of being marginalized by the market.

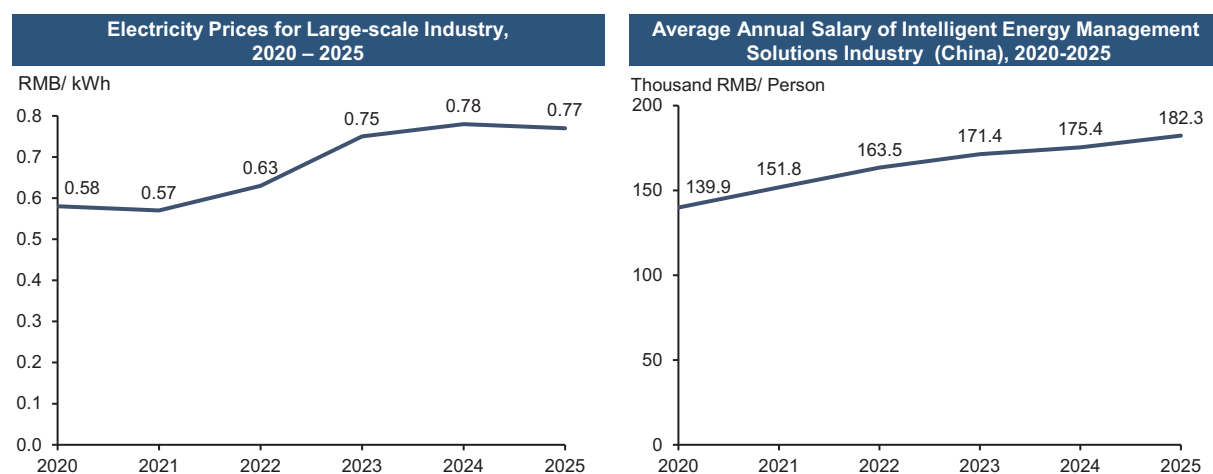
Rising Labor Costs: The industry is relatively dependent on senior professionals, and the supply of interdisciplinary talents remains limited. Rigid growth in nationwide labor costs has continued to escalate enterprises’ labor expenditure pressure. The transformation of solutions models to full-cycle operation requires enterprises to recruit more professionals with interdisciplinary capabilities including digitalization and carbon asset management, further intensifying competition for high-quality talents and driving up employment costs.

Cost Analysis of China’s Intelligent Energy Management Solutions Industry

As China’s economy continues to grow, China’s government has proposed several rules and policies to lower the industrial electricity price in order to promote the development of China’s enterprises. The industrial electricity price in China decreased from RMB0.58 per kWh to RMB0.57 per kWh from 2020 to 2021. In 2024, due to the increasing demand for electricity with the continuous development of the industrial field, the industrial electricity price increased to RMB0.78 per kWh. In 2025, the electricity price has been steady at RMB0.77 per kWh.

In line with macroeconomic growth, the average annual salary of employees in China’s intelligent energy management solutions industry increased steadily from 2020 to 2025, rising from RMB139.9 thousand to RMB182.3 thousand, with a CAGR of 5.4%. Looking ahead, labor costs are expected to resume an upward trajectory over the next five years, driven by sustained macroeconomic expansion, rising disposable incomes, and inflationary pressures. The industry’s salary levels are projected to align with China’s nominal GDP growth in the long term.

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Source: NBS, Frost & Sullivan Analysis

Note: (1) Industry electricity price in China refers to the industry with 315KVA or more. (2) Average salary of employees refers to average salary of employees in urban non-private units in scientific research, technical services and geological prospecting industry.

Competitive Landscape

In 2025, the total revenue in the full-cycle intelligent energy management solutions market in China reached RMB15.9 billion, with the top 5 market participants accounting for approximately 34.8% of the market share. In 2025, the group is the 2nd largest full-cycle intelligent energy management solutions provider in China with approximately 4.0% market share.

Ranking of Top 5 Full-Cycle Intelligent Energy Management Solutions Providers in China by Revenue in 2025

Ranking	Company	Revenue, 2025 (RMB in 100 million)	Market Share, 2025 (%)
1	Company A	31.2	19.6%
2	Our Company	6.4	4.0%
3	Company B	6.2	3.9%
4	Company C	6.0	3.8%
5	Company D	5.6	3.5%
	Top 5	55.4	34.8%
	Others	103.6	65.2%
	Total	159.0	100.0%

Source: Frost & Sullivan Analysis

Notes:

- (1) A full-cycle intelligent energy management solutions provider is defined as an intelligent energy management solutions provider with more than 50% of its revenue derived from intelligent energy operation and management solutions.

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- (2) *Company A: Established in 2010, this company is a publicly listed company on the Shenzhen Stock Exchange headquartered in Guangzhou, China. The company’s main business is energy conservation services, providing customers with one-stop integrated energy conservation services including energy use diagnosis, design, renovation, as well as investment, operation and maintenance of integrated energy projects.*
- (3) *Company B: Established in 1996, this company is a publicly listed company on the Shenzhen Stock Exchange headquartered in Guangzhou, China. It focuses on clean energy comprehensive services, new energy equipment manufacturing, and smart home solutions, covering industrial heating and household gas boilers.*
- (4) *Company C: Established in 2009, this company is a non-listed company headquartered in Beijing, China. The company’s main businesses include energy storage technology services, energy efficiency management services, and energy management contracting (EMC).*
- (5) *Company D: Established in 2008, this company is a non-listed company headquartered in Xi’an, China. The company provides full-cycle intelligent energy management solutions for users in high energy-consuming industries, equipment manufacturing, strategic emerging industries, rail transit, and heating industries.*

In 2025, the total revenue in the full-cycle intelligent energy management solutions market in East China reached RMB4.6 billion, with the top 5 market participants accounting for approximately 25.0% of the market share. In 2025, the group is the largest full-cycle intelligent energy management solutions provider in East China with approximately 9.6% market share.

Ranking of Top 5 Full-Cycle Intelligent Energy Management Solutions Providers in East China by Revenue in 2025

Ranking	Company	Revenue, 2025 (RMB in 100 million)	Market Share, 2025 (%)
1	Our Company	4.4	9.6%
2	Company C	2.7	5.8%
3	Company A	1.9	4.1%
4	Company D	1.3	2.8%
5	Company B	1.2	2.6%
	Top 5	11.5	25.0%
	Others	34.5	75.0%
	Total	46.0	100.0%

Source: Frost & Sullivan Analysis

Notes:

- (1) The revenue is measured by revenue occurred in East China.

Entry Barriers

Technology and R&D Capability: The intelligent energy management solutions industry is leaping from equipment replacement to system optimization and digital-driven operations. AI and breakthroughs in magnetic levitation chillers and liquid cooling are accelerating. Crucially, backed by proven technologies, established market players can commit to verifiable and measurable energy-saving performance indicators for clients, an assurance that itself reflects a high entry barrier. In addition, interdisciplinary talent, mastering both traditional HVAC/electrical skills and emerging digital/carbon management capabilities, has long training cycles and limited supply, making it difficult for new entrants to quickly build competent teams capable of delivering such guaranteed outcomes.

Operational Experience: The performance of intelligent energy operation and management projects highly relies on in-depth understanding of specific industries and scenarios, and successful cases and long-term operation and maintenance data constitute the core competitive barrier for enterprises. In bidding practices, project owners generally require bidders to provide proof of similar

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project performance in the past three years. Project experience not only reflects technical competence, but also represents long-term trust relationships with clients. New entrants lack traceable performance accumulation and are at a distinct disadvantage in the bidding process.

Financial Constraints: Intelligent energy operation and management projects increasingly use the EMC model, requiring heavy upfront investment in equipment and engineering, recovered through long-term energy savings. Large hosting contracts span up to 10 years with values reaching hundreds of millions. Although policy supports future earnings pledge financing, SMEs still face significant capital pressure and financing difficulties.

Qualification Acquisition: Industry access involves multiple qualification requirements, including Professional Contracting Qualification for Electronic and Intelligent Engineering, Safety Production License, ISO Quality Management System Certification, among others. The revised Certification Rules for Energy Management Systems to be implemented in 2026 has further standardized the certification process, requiring a six-month minimum operation period of the management system and participation of the top management in audits. The acquisition cycle of various qualifications is long and maintenance costs are high, forming a major threshold for new entrants.

Risk Management: Intelligent energy operation and management projects involve long cycles, high capital demands, and complex scenarios, requiring full-chain risk control across technology, construction, operations, compliance, and finance. Mature systems depend on extensive project experience and data. New entrants lack this foundation, making it difficult to manage lifecycle uncertainties, creating a critical industry barrier.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, an Independent Third Party, to conduct a study of China’s intelligent energy management solutions industry. We agreed to pay Frost & Sullivan a fee of RMB440,000 for the preparation of the Industry Report, and our Directors consider that such fee reflects market rates and are of the view that the payment of the fee does not affect the fairness of conclusions drawn in the Industry Report. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists.

During the preparation of the F&S Report, Frost & Sullivan conducted primary research that involved discussing the status of the industry with industry participants and industry experts, as well as secondary research that involved reviewing company reports, independent research reports and Frost & Sullivan’s own database.

The Industry Report was compiled based on the following assumptions: (i) China’s economy is likely to maintain steady growth in the next decade; (ii) China’s social, economic, and political environment is likely to remain stable from 2026 to 2030 (“**Forecast Period**”); (iii) Market drivers like policy support and guidance from the “Dual Carbon” goals, industrial structure upgrading, technological progress, rising energy costs, growing environmental awareness and rapid development of high-tech building facilities such as data centers.

REGULATORY OVERVIEW

REGULATIONS ON INDUSTRY POLICIES

Pursuant to the Renewable Energy Law of the People’s Republic of China, adopted by the Standing Committee of the National People’s Congress (hereinafter referred to as the “**NPC Standing Committee**”) on February 28, 2005, implemented on January 1, 2006, and newly revised on December 26, 2009 and implemented on April 1, 2010, the state encourages the development and utilization of renewable energy, encourages and supports the grid-connected power generation of renewable energy, promotes the development and utilization of renewable energy, increases energy supply, improves the energy structure, safeguards energy security, protects the environment, and realizes the sustainable development of the economy and society.

Pursuant to the Electric Power Law of the People’s Republic of China, adopted by the NPC Standing Committee on December 28, 1995, implemented on April 1, 1996, and newly revised on December 29, 2018 and implemented on the same day, the state safeguards and promotes the development of the electric power industry, protects the legitimate rights and interests of electric power investors, operators and users, and ensures the safe operation of electric power.

Pursuant to the Energy Conservation Law of the People’s Republic of China, enacted by the NPC Standing Committee on November 1, 1997, newly revised on October 26, 2018 and implemented on the same day, the state implements an energy conservation assessment and review system for fixed asset investment projects. Construction entities shall not start the construction of projects that fail to meet the mandatory energy conservation standards; those already completed shall not be put into production or use. For government-invested projects that fail to meet the mandatory energy conservation standards, the authorities responsible for project approval shall not approve their construction in accordance with the law. The specific measures shall be formulated by the energy conservation administrative department under the State Council in conjunction with the relevant departments of the State Council.

Pursuant to the Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects, promulgated by the National Development and Reform Commission on July 17, 2025 and implemented on September 1, 2025, the energy conservation review opinions on fixed asset investment projects are an important basis for the project’s commencement, completion acceptance and operation management. For government-invested projects, the construction entity shall obtain the energy conservation review opinions issued by the energy conservation review authority before submitting the project feasibility study report. For enterprise-invested projects, the construction entity shall obtain the energy conservation review opinions issued by the energy conservation review authority before the commencement of construction. Construction entities shall not start the construction of projects that have not undergone energy conservation review or failed to pass the energy conservation review; those already completed shall not be put into production or use.

REGULATIONS ON FOREIGN INVESTMENT

The operation of foreign-invested companies in China is mainly governed by the Company Law of the People’s Republic of China, the Foreign Investment Law of the People’s Republic of China and the Implementation Regulations for the Foreign Investment Law of the People’s Republic of China, and their specific investment activities shall mainly comply with the relevant provisions of the Special Administrative Measures for Foreign Investment Access (Negative List) and the Catalogue of Industries for Encouraging Foreign Investment.

Pursuant to the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), adopted by the NPC Standing Committee on December 29, 1993, implemented on July 1, 1994, and newly revised on December 29, 2023 and implemented on July 1, 2024, companies established in China may take the form of limited liability companies or joint-stock limited companies,

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and companies shall enjoy legal person status. The Company Law shall also apply to foreign-invested companies, and if there are separate provisions in the laws on foreign investment, such provisions shall prevail.

Pursuant to the Foreign Investment Law of the People’s Republic of China, adopted by the National People’s Congress (hereinafter referred to as the “NPC”) on March 15, 2019 and implemented on January 1, 2020, the Implementation Regulations for the Foreign Investment Law of the People’s Republic of China, promulgated by the State Council on December 26, 2019 and implemented on January 1, 2020, and the Interpretation of the Supreme People’s Court on Several Issues Concerning the Application of the Foreign Investment Law of the People’s Republic of China, adopted by the Supreme People’s Court on December 26, 2019 and implemented on January 1, 2020, the state implements a management system of pre-establishment national treatment plus negative list for foreign investment. Pre-establishment national treatment refers to granting foreign investors and their investments treatment no less favorable than that accorded to domestic investors and their investments at the investment access stage, except for foreign investment entering restricted or prohibited fields or industries; the negative list refers to the special administrative measures for access implemented for foreign investment entering specific fields or industries (including restricted or prohibited ones). The state grants national treatment to foreign investment that is not included in the negative list. Foreign investors shall not invest in the fields prohibited for investment as stipulated in the negative list; for the fields restricted for investment as stipulated in the negative list, foreign investors shall meet the prescribed investment conditions; foreign investment which is not included in the negative list shall be managed in accordance with the principle of consistency between domestic and foreign investment.

Pursuant to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (hereinafter referred to as the “**2024 Negative List**”), promulgated by the Ministry of Commerce and the National Development and Reform Commission on September 6, 2024 and implemented on November 1, 2024, and the Catalogue of Industries for Encouraging Foreign Investment (2025 Version), jointly promulgated by the Ministry of Commerce and the National Development and Reform Commission on December 15, 2025 and implemented on February 1, 2026, domestic industries open to foreign investment are divided into encouraged, restricted and prohibited categories, and industries outside the negative list are deemed to permit foreign investment. The industry we are engaged in is not included in the 2024 Negative List. Our business as currently conducted does not fall within the confines of the 2024 Negative List and is not subject to foreign investment restrictions.

Pursuant to the Measures for the Reporting of Foreign Investment Information, promulgated by the Ministry of Commerce and the State Administration for Market Regulation on December 30, 2019 and implemented on January 1, 2020, the state has established a foreign investment information reporting system. Foreign investors or foreign-invested enterprises shall submit investment information in a timely manner, abide by the principles of authenticity, accuracy and completeness, and shall not make false or misleading reports or have material omissions.

REGULATIONS ON HOUSE LEASING

Pursuant to the Civil Code of the People’s Republic of China, enacted by the NPC on May 28, 2020 and implemented on January 1, 2021, the owner shall have the rights to possess, use, benefit from and dispose of his immovable or movable property in accordance with the law.

Pursuant to the Interpretation of the Supreme People’s Court on Several Issues Concerning the Specific Application of Law in the Trial of Cases Involving Disputes over Urban House Leasing Contracts, promulgated by the Supreme People’s Court on December 29, 2020 and implemented on January 1, 2021, the leasing contract concluded by the lessor with the lessee for a house that has not obtained the construction project planning permit or has not been constructed in accordance with the provisions of the construction project planning permit shall be invalid.

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Pursuant to the Urban Real Estate Administration Law of the People’s Republic of China, enacted by the NPC Standing Committee on July 5, 1994, newly revised on August 26, 2019 and implemented on January 1, 2020, for house leasing, the lessor and the lessee shall sign a written leasing contract, stipulate the terms such as the lease term, lease purpose, lease price and maintenance liability, as well as other rights and obligations of both parties, and register and file with the real estate administrative department.

Pursuant to the Measures for the Administration of Commercial Housing Leasing, promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and implemented on February 1, 2011, within 30 days after the conclusion of the relevant lease, the lessor and the lessee shall go through the lease registration and filing procedures at the local branch of the Ministry of Housing and Urban-Rural Development. Those who fail to complete the registration and filing shall be ordered to make corrections within a time limit; if the corrections are not made within the time limit, a fine of RMB1,000 to RMB10,000 may be imposed for each lease.

REGULATIONS ON PRODUCT QUALITY

Pursuant to the Product Quality Law of the People’s Republic of China, enacted by the NPC Standing Committee on February 22, 1993, newly revised on December 29, 2018 and implemented on the same day, producers shall be responsible for the quality of the products they produce. Products shall not have unreasonable dangers that endanger personal and property safety, shall have usable performance, and the adopted product standards shall be indicated on the products or their packages. If personal injury or damage to the property of others is caused by defects in the product, the victim may claim compensation from the producer of the product or the seller of the product. Producers or sellers who produce or sell unqualified products shall be ordered to stop production and sales, have the illegally produced and sold products confiscated and be imposed a fine; if there are illegal gains, the illegal gains shall also be confiscated; if the circumstances are serious, the business license shall be revoked; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

Pursuant to the Civil Code of the People’s Republic of China, enacted by the NPC on May 28, 2020 and implemented on January 1, 2021, producers shall bear tort liability if others are harmed due to defects in the products. If others are harmed due to defects in the product, the infringed person may claim compensation from the producer of the product or the seller of the product. If the product defect is caused by the producer, the seller has the right to recover compensation from the producer after making compensation. If the product defect is caused by the fault of the seller, the producer has the right to recover compensation from the seller after making compensation. If the product defect endangers the personal and property safety of others, the infringed person has the right to request the producer and seller to bear tort liabilities such as ceasing the infringement, removing the obstacles and eliminating the dangers.

REGULATIONS ON ENGINEERING CONSTRUCTION, WORK SAFETY

Engineering Construction

Pursuant to the Construction Law of the People’s Republic of China, enacted by the NPC Standing Committee on November 1, 1997, newly revised on April 23, 2019 and implemented on the same day, before the commencement of a construction project, the construction entity shall apply for a construction permit from the competent construction administrative department of the people’s government at or above the county level where the project is located in accordance with the relevant regulations, except for small projects below the quota determined by the competent construction administrative department of the State Council. For construction projects whose commencement reports have been approved in accordance with the authority and procedures prescribed by the State Council, no construction permit shall be required. A contracting unit shall not subcontract all its contracted construction projects to

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others, nor dismember all its contracted construction projects and subcontract them to others in the name of sub-contracting respectively. A general contracting unit may subcontract some parts of the contracted project to a sub-contracting unit with corresponding qualification conditions; however, except for the sub-contracting agreed in the general contracting contract, it must be approved by the construction entity; it is forbidden for a general contracting unit to subcontract the project to a unit without corresponding qualification conditions.

Work Safety

Pursuant to the Work Safety Law of the People’s Republic of China, enacted by the NPC Standing Committee on June 29, 2002, newly revised on June 10, 2021 and implemented on September 1, 2021, production and business operation entities must establish and improve a full staff work safety responsibility system and work safety rules and regulations, have the work safety conditions stipulated by laws, regulations and national or industrial standards, and those without production conditions shall not engage in production and business operation activities. Production and business operation entities shall conduct work safety education and training for their employees to ensure that the employees have the necessary work safety knowledge and are familiar with the relevant work safety rules and regulations and safety operation procedures. Producers and operators who violate the Work Safety Law of the People’s Republic of China shall be imposed a fine, ordered to suspend production and business operation or ordered to cease production and business operation; if serious consequences are caused, criminal liability shall be pursued.

Pursuant to the Measures for the Supervision and Administration of the “Three Simultaneities” of Safety Facilities for Construction Projects, promulgated by the former State Administration of Work Safety (now known as the Ministry of Emergency Management) on December 14, 2010, newly revised on April 2, 2015 and implemented on May 1, 2015, the safety facilities of newly-built, reconstructed and expanded engineering projects must be designed, constructed and put into production and use simultaneously with the main project. Enterprises shall conduct a comprehensive analysis of work safety conditions and facilities and form a written report for future reference, or conduct a safety pre-evaluation of their construction projects and compile a safety pre-evaluation report. When conducting the preliminary design of a construction project, an enterprise shall entrust a design unit with corresponding qualifications to design the safety facilities of the construction project at the same time and compile the safety facility design. Before a construction project is completed and put into production or use, the enterprise shall organize the completion acceptance of the safety facilities and form a written report for future reference. Only after the safety facilities pass the completion acceptance can they be put into production and use. Enterprises that violate the relevant provisions may be ordered to stop construction, make corrections within a time limit and be imposed a fine.

REGULATIONS ON ENVIRONMENTAL PROTECTION

General Provisions

Pursuant to the Environmental Protection Law of the People’s Republic of China, adopted by the NPC Standing Committee on December 26, 1989, newly revised on April 24, 2014 and implemented on January 1, 2015, enterprises, institutions and other producers and operators that discharge pollutants shall take measures to prevent and control the pollution and harm to the environment caused by waste gas, waste water, waste residue, medical waste, dust, malodorous gas, radioactive substances, as well as noise, vibration, light radiation, electromagnetic radiation and other pollutants generated in production, construction or other activities. The state implements a pollutant discharge permit management system in accordance with the law. Enterprises, institutions and other producers and operators under the pollutant discharge permit management shall discharge pollutants in accordance with the requirements of the pollutant discharge permit; those who have not obtained a pollutant discharge permit shall not discharge pollutants.

REGULATORY OVERVIEW

Pursuant to the Air Pollution Prevention and Control Law of the People’s Republic of China, enacted by the NPC Standing Committee on September 5, 1987, newly revised on October 26, 2018 and implemented on the same day, the Water Pollution Prevention and Control Law of the People’s Republic of China, enacted by the NPC Standing Committee on May 11, 1984, newly revised on June 27, 2017 and implemented on January 1, 2018, the Solid Waste Pollution Environmental Prevention and Control Law of the People’s Republic of China, enacted by the NPC Standing Committee on October 30, 1995, newly revised on April 29, 2020 and implemented on September 1, 2020, and the Noise Pollution Prevention and Control Law of the People’s Republic of China, enacted by the NPC Standing Committee on December 24, 2021 and implemented on June 5, 2022, enterprise operators shall comply with various standards and requirements for the prevention and control of air, water, noise and solid waste pollution. Enterprises that fail to comply with the relevant regulations shall be imposed a fine, ordered to suspend production and business operation or ordered to cease production and business operation; if a crime is constituted, criminal liability shall be pursued.

Regulations on Pollutant Discharge Permits

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits, promulgated by the State Council on January 24, 2021 and implemented on March 1, 2021, the Measures for the Administration of Pollutant Discharge Permits, promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, and the Guidelines for the Pollutant Discharge Registration of Fixed Pollution Sources (Trial), promulgated by the Ministry of Ecology and Environment on January 6, 2020 and implemented on the same day, enterprises, institutions and other producers and operators under the pollutant discharge permit management shall apply for and obtain a pollutant discharge permit in accordance with the provisions of the regulations; those who have not obtained a pollutant discharge permit shall not discharge pollutants. Enterprises, institutions and other producers and operators whose pollutant generation, discharge and environmental impact are minimal and who are not required to apply for a pollutant discharge permit in accordance with the law shall fill in the pollutant discharge registration form.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent Right

Pursuant to the Patent Law of the People’s Republic of China, enacted by the NPC Standing Committee on March 12, 1984, newly revised on October 17, 2020 and implemented on June 1, 2021, and the Implementing Regulations of the Patent Law of the People’s Republic of China, promulgated by the State Council on June 15, 2001, newly revised on December 11, 2023 and implemented on January 20, 2024, patents are divided into three categories, namely invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent right is 10 years, and the term of a design patent right is 15 years, all calculated from the date of application.

Copyright

Pursuant to the Copyright Law of the People’s Republic of China, enacted by the NPC Standing Committee on September 7, 1990, newly revised on November 11, 2020 and implemented on June 1, 2021, copyright includes personal rights such as the right of publication and the right of authorship, as well as property rights such as the right of reproduction and the right of distribution. The scope of copyright protection has been expanded to Internet activities, products disseminated through the Internet and software products. Except as otherwise stipulated in the Copyright Law of the People’s Republic of China, reproducing, distributing, performing, showing, broadcasting, compiling and disseminating a work to the public through an information network without the permission of the copyright owner shall constitute an infringement of copyright. Infringers shall bear civil liabilities such as ceasing the infringement, eliminating the adverse effects, making an apology and compensating for losses.

REGULATORY OVERVIEW

Pursuant to the Measures for the Registration of Computer Software Copyright, promulgated by the National Copyright Administration on February 20, 2002, and the Regulations on the Protection of Computer Software, revised by the State Council on January 30, 2013 and implemented on March 1, 2013, the National Copyright Administration is in charge of the national administration of software copyright registration and has designated the China Copyright Protection Center as the software registration institution. The China Copyright Protection Center shall issue a registration certificate to applicants for computer software copyright who meet the provisions of the Measures for the Registration of Computer Software Copyright and the Regulations on the Protection of Computer Software.

Trademark Right

Pursuant to the Trademark Law of the People’s Republic of China, enacted by the NPC Standing Committee on August 23, 1982, newly revised on April 23, 2019 and implemented on November 1, 2019, and the Implementing Regulations of the Trademark Law of the People’s Republic of China, promulgated by the State Council on August 3, 2002, revised on April 29, 2014 and implemented on May 1, 2014, in China, registered trademarks include commodity trademarks, service trademarks, collective trademarks and certification trademarks, and the valid term of a registered trademark is 10 years, calculated from the date of approval of registration. If a registered trademark needs to be used continuously upon the expiration of its valid term, the renewal formalities shall be completed in accordance with the provisions within 12 months before the expiration, and the valid term of each renewal registration is 10 years, calculated from the day following the expiration of the previous valid term of the trademark.

Domain Name

Pursuant to the Measures for the Administration of Internet Domain Names, promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and implemented on November 1, 2017, and the Circular of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names for Internet Information Services, promulgated by the Ministry of Industry and Information Technology on November 27, 2017 and implemented on January 1, 2018, the Ministry of Industry and Information Technology exercises supervision and administration over domain name services nationwide. Domain names used by Internet information service providers for engaging in Internet information services shall be registered and owned by them in accordance with the law and relevant regulations. Domain name registration shall be handled through domain name service institutions established in accordance with the relevant provisions, and the applicant shall become the domain name holder upon successful registration.

Trade Secret

Pursuant to the Anti-Unfair Competition Law of the People’s Republic of China, enacted by the NPC Standing Committee on September 2, 1993, newly revised on June 27, 2025 and implemented on October 15, 2025, and the Provisions of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringement of Trade Secrets, promulgated by the Supreme People’s Court on September 10, 2020 and implemented on September 12, 2020, a trade secret refers to commercial information such as technical information and operational information that is not known to the public, has commercial value and for which the right holder has taken corresponding confidentiality measures. Operators shall not engage in the following acts that infringe upon trade secrets: (1) obtaining the right holder’s trade secrets by theft, bribery, fraud, coercion, electronic intrusion or other improper means; (2) disclosing, using or allowing others to use the right holder’s trade secrets obtained by the means mentioned in the preceding item; (3) disclosing, using or allowing others to use the trade secrets in their possession in violation of the confidentiality obligation or the right

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holder’s requirements for keeping trade secrets confidential; (4) instigating, inducing or assisting others to obtain, disclose, use or allow others to use the right holder’s trade secrets in violation of the confidentiality obligation or the right holder’s requirements for keeping trade secrets confidential.

REGULATIONS ON LABOR EMPLOYMENT, SOCIAL SECURITY AND HOUSING PROVIDENT FUND

Labor Contract

Pursuant to the Labor Law of the People’s Republic of China, enacted by the NPC Standing Committee on July 5, 1994, newly revised on December 29, 2018 and implemented on the same day, and the Labor Contract Law of the People’s Republic of China, enacted by the NPC Standing Committee on June 29, 2007, newly revised on December 28, 2012 and implemented on July 1, 2013, employers shall conclude a written labor contract with laborers when establishing a labor relationship. Employers shall not force laborers to work overtime; if an employer arranges overtime work, it shall pay overtime wages to laborers in accordance with the relevant state provisions. The labor remuneration of laborers shall not be lower than the local minimum wage standard. If an employer fails to comply with the aforesaid laws and regulations, the labor administrative department has the right to impose measures such as a warning, an order to make corrections, a fine and suspension of business for rectification; if damage is caused to laborers, the employer shall bear compensation liability; if the relevant illegal act constitutes a crime, criminal liability shall also be pursued.

Social Insurance

Pursuant to the Social Insurance Law of the People’s Republic of China, enacted by the NPC Standing Committee on October 28, 2010, newly revised on December 29, 2018 and implemented on the same day, and other relevant provisions, employers and individuals within the territory of the People’s Republic of China shall pay social insurance premiums in accordance with the law. If an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency has the right to order it to pay or make up the arrears within a time limit, and impose a late fee on a daily basis from the date of the arrears; if the employer still fails to pay after the time limit, the relevant administrative department shall impose a fine.

Housing Provident Fund

Pursuant to the Regulations on the Administration of Housing Provident Fund, promulgated by the State Council on April 3, 1999, newly revised on March 24, 2019 and implemented on the same day, employers shall register with the competent housing provident fund management center and pay housing provident fund for their employed staff and workers. If a unit fails to pay or underpays the housing provident fund within the time limit, the housing provident fund management center shall order it to make the payment within a time limit; if the unit still fails to pay after the time limit, an application may be made to the people’s court for compulsory execution.

REGULATIONS ON TAXATION

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China, enacted by the NPC on March 16, 2007, newly revised on December 29, 2018 and implemented on the same day, and the Implementing Regulations of the Enterprise Income Tax Law of the People’s Republic of China, promulgated by the State Council on December 6, 2007, newly revised on December 6, 2024 and implemented on January 20, 2025, domestic enterprises established in China in accordance with the law shall be deemed as resident enterprises. Resident enterprises shall pay enterprise income tax at a tax rate

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of 25% on their income sourced from China. Eligible small and micro-profit enterprises shall pay enterprise income tax at a reduced tax rate of 20%, and eligible high-tech enterprises shall pay enterprise income tax at a reduced tax rate of 15%.

Value-Added Tax

Pursuant to the Interim Regulations of the People’s Republic of China on Value-Added Tax, promulgated by the State Council on December 13, 1993, newly revised on November 19, 2017 and implemented on the same day, and the Detailed Rules for the Implementation of the Interim Regulations of the People’s Republic of China on Value-Added Tax, promulgated by the Ministry of Finance and the State Taxation Administration on December 25, 1993, newly revised on October 28, 2011 and implemented on November 1, 2011, units and individuals that sell goods, provide processing, repair and replacement services, sell services, intangible assets and immovable properties, and import goods within the territory of China are taxpayers of value-added tax and shall pay value-added tax. Unless otherwise stipulated in the aforesaid regulations, the value-added tax rate for taxpayers selling or importing goods is generally 17%.

Pursuant to the Circular of the Ministry of Finance and the State Taxation Administration on Adjusting the Value-Added Tax Rates, jointly promulgated by the Ministry of Finance and the State Taxation Administration on April 4, 2018 and implemented on May 1, 2018, for taxpayers engaged in taxable sales activities or importing goods, the original applicable tax rates of 17% and 11% were adjusted to 16% and 10% respectively.

Pursuant to the Announcement on Issues Concerning the Deepening of Value-Added Tax Reform, jointly promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019 and implemented on April 1, 2019, for taxable value-added tax sales activities or imported goods, the original applicable tax rates of 16% and 10% were adjusted to 13% and 9% respectively.

REGULATIONS ON OVERSEAS INVESTMENT BY DOMESTIC ENTERPRISES

Provisions of the Development and Reform Department on Overseas Investment by Domestic Enterprises

In accordance with the provisions of the Measures for the Administration of Enterprises’ Overseas Investment, promulgated on December 26, 2017 and implemented on March 1, 2018, domestic enterprises carrying out overseas investment shall complete formalities such as approval and filing for overseas investment projects, report relevant information, and cooperate with supervision and inspection. The scope of approval management includes sensitive projects carried out by investment entities directly or through overseas enterprises controlled by them, specifically including projects involving sensitive countries and regions and sensitive industries. The scope of filing management covers non-sensitive projects directly carried out by investment entities, i.e., non-sensitive projects involving the direct investment of assets and rights and interests by investment entities, or the provision of financing and guarantees by them. In the event that an investment entity violates the Measures for the Administration of Enterprises’ Overseas Investment, the approval and filing authority has the right to take measures such as refusing to approve or file, revoking the approval document or filing notice, ordering the investment entity to suspend or terminate the implementation of the project, take remedial measures, make corrections within a time limit, and issue a warning to the investment entity and its principal persons in charge; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

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Provisions of the Commerce Department on Overseas Investment by Domestic Enterprises

In accordance with the Measures for the Administration of Overseas Investment, issued on September 6, 2014 and implemented on October 6, 2014, the Ministry of Commerce and provincial competent commerce departments implement filing and approval management respectively according to different circumstances of enterprises’ overseas investment. Overseas investment by enterprises involving sensitive countries and regions and sensitive industries shall be subject to approval management; overseas investment in other circumstances shall be subject to filing management.

For acts in violation of the Measures for the Administration of Overseas Investment, the competent commerce department has the right to take penalties or measures such as revoking the enterprise’s overseas investment filing, issuing a warning, announcing the penalty decision in accordance with the law, prohibiting the enterprise from applying for the aforesaid approval again within one or three years, and disqualifying the enterprise from enjoying relevant national policy support within three years; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

Provisions of the Foreign Exchange Administration on Overseas Investment by Domestic Enterprises

In accordance with the Circular on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment, promulgated by the State Administration of Foreign Exchange on February 13, 2015 and implemented on June 1, 2015, the approval of foreign exchange registration under overseas direct investment is cancelled. Instead, banks shall directly examine and handle foreign exchange registration under overseas direct investment in accordance with this Circular and the attached Operation Guidelines for Foreign Exchange Business of Direct Investment. The State Administration of Foreign Exchange and its branches exercise indirect supervision over foreign exchange registration of direct investment through banks.

In accordance with the Provisions on the Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions, promulgated by the State Administration of Foreign Exchange on July 13, 2009 and implemented on August 1, 2009, if a domestic institution violates these provisions, the foreign exchange bureau shall impose penalties in accordance with the Foreign Exchange Administration Regulations of the People’s Republic of China and other relevant provisions; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

The Guidelines for Capital Account Foreign Exchange Business (2024 Version), promulgated by the State Administration of Foreign Exchange on April 3, 2024 and implemented on May 6, 2024, stipulates the requirements for handling foreign exchange business of overseas direct investment.

REGULATIONS ON OVERSEAS ISSUANCE AND LISTING BY DOMESTIC ENTERPRISES

Regulations on Overseas Listing

Pursuant to the Securities Law of the People’s Republic of China, enacted by the Standing Committee of the National People’s Congress on December 29, 1998, newly revised on December 28, 2019 and implemented on March 1, 2020, domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas shall comply with the relevant provisions of the State Council.

Pursuant to the Trial Measures for the Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (hereinafter referred to as the “**Overseas Listing Administration Measures**”) and the supporting guidelines, promulgated by the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”) on February 17, 2023 and implemented on March 31, 2023, overseas

REGULATORY OVERVIEW

securities issuance and listing activities of domestic enterprises shall strictly comply with national security laws, administrative regulations and relevant provisions such as those on foreign investment, cyber security and data security, earnestly perform the obligation to safeguard national security, and may not disrupt the domestic market order or harm national interests, social public interests and the legitimate rights and interests of domestic investors. Where a security review is involved, the relevant security review procedures shall be completed in accordance with the law before submitting an application for issuance and listing to overseas securities regulatory authorities, trading venues and other institutions.

Domestic enterprises conducting overseas issuance and listing may raise funds and distribute dividends in foreign currency or RMB. The use and investment direction of funds raised by domestic enterprises through overseas securities issuance shall comply with laws, administrative regulations and relevant national provisions. The exchange and cross-border flow of funds related to overseas issuance and listing by domestic enterprises shall comply with national provisions on cross-border investment and financing, foreign exchange administration and cross-border RMB administration.

The Overseas Listing Administration Measures stipulate that overseas issuance and listing are prohibited in any of the following circumstances: (1) listing and financing are explicitly prohibited by laws, administrative regulations or relevant national provisions; (2) overseas issuance and listing are determined by the relevant competent departments of the State Council upon legal review to possibly endanger national security; (3) the domestic enterprise or its controlling shareholder or actual controller has committed criminal crimes such as embezzlement, bribery, occupation of property, misappropriation of property or disruption of the socialist market economic order in the most recent three years; (4) the domestic enterprise is under legal investigation for suspected crimes or major illegal and irregular acts with no clear conclusion yet; (5) there is a major ownership dispute over the equity held by the controlling shareholder or the shareholders controlled by the controlling shareholder or actual controller.

If any of the following major events occurs after an issuer’s overseas issuance and listing, the issuer shall report the specific circumstances to the CSRC within 3 working days from the date on which the relevant event occurs and is announced: (1) change of control; (2) being subject to investigation, penalty and other measures by overseas securities regulatory authorities or relevant competent departments; (3) conversion of listing status or listing board; (4) voluntary termination of listing or compulsory termination of listing.

If a domestic enterprise fails to complete the filing procedures in violation of the provisions of the Overseas Listing Administration Measures, conducts overseas issuance and listing in violation of the provisions, or the filing materials contain false records, misleading statements or major omissions, the CSRC shall order it to make corrections, issue a warning and impose a fine on it. A warning and a fine shall be imposed on the persons in charge directly responsible and other persons directly liable. If the circumstances are serious, the CSRC may take measures to bar the relevant liable persons from the securities market. If a crime is constituted, criminal liability shall be pursued in accordance with the law.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Relating to Overseas Securities Issuance and Listing by Domestic Enterprises, promulgated by the CSRC, the Ministry of Finance, the State Secrets Bureau and the State Archives Administration on February 24, 2023 and implemented on March 31, 2023, if a domestic enterprise provides or publicly discloses documents and materials involving state secrets and work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses such documents and materials through its overseas listing entity, it shall report to the competent department with approval authority for approval in accordance with the law and file with the confidentiality administrative department at the same level. Working papers formed within China by securities companies and securities service institutions that provide

REGULATORY OVERVIEW

corresponding services for the overseas securities issuance and listing of domestic enterprises shall be kept within China. If such working papers need to be taken out of China, approval formalities shall be completed in accordance with the relevant national provisions. In the overseas securities issuance and listing activities of domestic enterprises, any entity or individual that violates laws and regulations such as the Law of the People’s Republic of China on Guarding State Secrets and the Archives Law of the People’s Republic of China shall be subject to legal liability by the relevant departments in accordance with the law; if a crime is suspected, the case shall be transferred to the judicial organ for criminal liability in accordance with the law.

Regulations on Foreign Exchange Administration for Overseas Listing

In accordance with the Circular of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54), promulgated on December 26, 2014, a joint-stock limited company registered in China that is approved by the CSRC to issue shares overseas and list them for public trading on an overseas stock exchange shall complete overseas listing registration at the foreign exchange bureau at its place of registration within 15 working days from the date of the completion of overseas listing and issuance, and open a special foreign exchange account for overseas listing of domestic companies at a domestic bank on the strength of the overseas listing business registration certificate to handle the exchange and transfer of funds for relevant businesses.

The Guidelines for Capital Account Foreign Exchange Business (2024 Version) stipulates guidelines for relevant foreign exchange businesses such as securities investment management business, and provides guidance on foreign exchange formalities for relevant matters such as new registration, change and cancellation of registration for overseas listing of domestic companies, shareholding registration of domestic shareholders and full circulation.

REGULATIONS ON THE FULL CIRCULATION OF H SHARES

Full circulation refers to the listing and circulation of the unlisted domestic shares of H-share companies (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing, and unlisted shares held by foreign shareholders) on the Stock Exchange of Hong Kong. Pursuant to the Guidelines for the Full Circulation Application of Unlisted Domestic Shares of H-Share Companies, promulgated by the CSRC on November 14, 2019 and revised on August 10, 2023, on the premise of complying with relevant laws and regulations and policy requirements such as state-owned asset management, foreign investment and industry supervision, domestic non-listed shareholders may independently negotiate and determine the quantity and proportion of shares applied for circulation, and entrust the corresponding H-share company to file with the CSRC. Domestic joint-stock limited companies that have not yet been listed may file with the CSRC for “full circulation” at the same time as their overseas initial public offering and listing.

Shareholders of unlisted domestic shares shall complete share transfer registration in accordance with the relevant business rules of China Securities Depository and Clearing Corporation Limited, go through procedures such as share registration and stock listing in accordance with the relevant provisions of the Hong Kong market, and conduct information disclosure in accordance with the law and compliance requirements. After unlisted domestic shares are listed and circulated on the Stock Exchange of Hong Kong, they may not be transferred back to China. Shareholders of unlisted domestic shares may reduce or increase their holdings of the company’s shares on the Stock Exchange of Hong Kong in accordance with the relevant business rules. A domestic enterprise issuing securities overseas shall submit a report on the relevant circumstances to the CSRC within 15 days after the completion of transfer registration of the shares involved in the application at China Securities Depository and Clearing Corporation Limited.

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In addition, the Guidelines for the Full Circulation Business of H Shares of China Securities Depository and Clearing Corporation Limited Shenzhen Branch, issued by China Securities Depository and Clearing Corporation Limited Shenzhen Branch on September 20, 2024, newly revised on June 27, 2025 and implemented on June 30, 2025, explicitly stipulates the business arrangements and procedural requirements for the full circulation business of H shares, such as relevant business preparation, cross-border transfer registration, overseas custody of shares, initial and change maintenance of domestic holding details, handling of corporate actions, clearing and settlement, risk management and business fees.

REGULATIONS ON BIDDING AND TENDERING

Pursuant to the Bidding and Tendering Law of the People’s Republic of China, enacted by the NPC Standing Committee on August 30, 1998, newly revised on December 27, 2017 and implemented on December 28, 2017, no unit or individual may divide a project that must be tendered in accordance with the law into smaller parts or evade tendering in any other way. Bidding and tendering activities shall abide by the principles of openness, fairness, impartiality and good faith. Those who fail to tender for projects that must be tendered, or divide such projects into smaller parts or evade tendering in any other way shall be ordered to make corrections within a time limit and may be imposed a fine of not less than 0.5% and not more than 1% of the total contract amount of the project. If a project that must be tendered in accordance with the law violates the provisions of the Bidding and Tendering Law of the People’s Republic of China and the bid winning is invalid, the successful bidder shall be re-determined from the other bidders in accordance with the bid winning conditions stipulated by law or the tender shall be re-conducted in accordance with this Law.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2018 when the predecessor of our Company, Guolian Green Technology (Wuxi) Co., Ltd.* (國聯江森自控綠色科技(無錫)有限公司), was established as a Sino-foreign joint venture. With years of development, we have become a leading full-cycle intelligent energy management service provider in China, providing intelligent energy management services covering the entire value chain including assessment, design, construction, operation and maintenance to customers across different industries.

On December 27, 2024, our Company was converted from a limited liability company into a joint stock company with limited liability in the PRC. On January 22, 2025, our Company was renamed Guolian Green Technology (Wuxi) Co., Ltd.* (國聯綠色科技(無錫)股份有限公司).

OUR MILESTONES

The following table summarizes the key milestones in our business development since inception:

Year	Milestone
2018	We were established in Wuxi, Jiangsu Province, the PRC, with energy management contracting as our initial line of business. We entered the airport energy-saving retrofit industry.
2019	We released our high-efficiency chiller plant intelligent group control technology software and our first generation of energy management platform. We entered the energy management contracting industry for public institutions for the first time.
2020	We introduced Wuxi New Development Group Co., Ltd.* (無錫市新發集團有限公司) (“New Development Group”) as our [REDACTED] Investor.
2021	We launched our intelligent monitoring and analysis system, integrating subsystems such as smart community equipment, parking lots, restrooms, and security systems.
2023	We developed industry solutions with a core focus on high-efficiency evaporative cooling integrated equipment. We received the High-Tech Enterprise Certificate and the “Blue Sky Cup” Excellence in Energy-saving Technology Award.
2024	We entered the data center energy-saving retrofit sector for the first time. We were converted into a joint stock company. We obtained the Jiangsu Provincial Specialized, sophisticated Small and Medium-sized Enterprise Certificate.
2025	We were renamed “Guolian Green Technology (Wuxi) Co., Ltd.* (國聯綠色科技(無錫)股份有限公司)”. We were among the first in China to launch full-container modularized integration system for AIDC and achieved delivery. We entered the energy-saving retrofit sector of the coal chemical industry for the first time.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	We developed and launched proprietary evaporative cooling products that enable flexible cooling mode switching and the GLJC-AIBox, which enhances HVAC system efficiency and intelligent operation.
2026	Our oil-free centrifugal dual-phase change natural colling technology was included in the National Energy-saving and Carbon-reduction Demonstration Products, Technologies, and Application Solutions Recommended Catalogue.
	Our intelligent energy-carbon management solution was included in the list of trusted solutions for innovation by MIIT.

OUR PRINCIPAL SUBSIDIARIES

Our Company is headquartered in Wuxi, the PRC. As of the Latest Practicable Date, we have nine subsidiaries in the PRC, among them, Shangrao Chaojie and Guolian Green Science Trading are regarded as our principal subsidiaries in terms of financial results, business performance and planning.

Name	Place of establishment	Date of establishment	Principal business activities	Ownership as of the Latest Practicable Date
Shangrao Chaojie . . .	PRC	January 13, 2023	Comprehensive energy service provider focusing on energy management contracts	100%
Guolian Green Science Trading	PRC	October 20, 2025	Sales of refrigeration and air conditioning equipments	100%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT OF OUR GROUP

Significant shareholding changes of our Company and our subsidiaries

Our Company

Establishment

Our Company was established as a Sino-foreign joint venture with limited liability under the laws of the PRC on April 28, 2018. The shareholding structure of our Company at its inception was as follows:

Name of Shareholders	Registered capital	Approximate equity interests
	(RMB)	(%)
Huaguang Environment & Energy	90,000,000	45.0
Hua’ao International Trust Co., Ltd* (華澳國際信託有限公司)(“ Hua’ao Trust ”)	50,000,000	25.0
Tyco Ireland Limited (“ Tyco Ireland ”)	30,000,000	15.0
Wuxi Metro Technology Service Co., Ltd.* (無錫地鐵科技服務有限公司)(“ Metro Technology ”)	30,000,000	15.0
Total	200,000,000	100.0

Huaguang Environment & Energy is a joint stock company established in the PRC with limited liability, the A shares of which are listed on Shanghai Stock Exchange (stock code: 600475), and is ultimately controlled by Wuxi State-owned Asset Supervision and Administration Committee (“**Wuxi SASAC**”). Hua’ao Trust is ultimately controlled by Lu Shengju (盧生舉) and Zhang Dongliang (張棟梁), each an Independent Third Party. Hua’ao Trust ceased to be our Shareholder in November 2020. Tyco Ireland is a company incorporated in Ireland with limited liability, which is ultimately controlled by Johnson Controls International Plc, the shares of which are listed on New York Stock Exchange (stock code: JCI). Metro Technology is ultimately controlled by Wuxi SASAC.

Equity transfers in November 2020 (introduction of New Development Group as our [REDACTED] Investor)

On April 28, 2020, Hua’ao Trust entered into a equity transfer agreement with New Development Group and Wuxi Zhongcheng, pursuant to which Hua’ao Trust agreed to transfer 15% and 10% equity interest in our Company to New Development Group and Wuxi Zhongcheng at a consideration of RMB33,588,088.33 and RMB22,392,055.56, respectively. The consideration for the equity transfers was determined after arm’s length negotiation between the parties with reference to the valuation of the entire shareholders’ interest of our Company as of October 31, 2019 made by an independent valuer, and was settled on May 26, 2020. New Development Group is our [REDACTED] Investor. For details of investment made by New Development Group, please see “[REDACTED] Investments” in this section. Wuxi Zhongcheng is our employee stock ownership platform, the general partner of which is Mr. Heng Size, our executive Director, holding 30% interest therein. As of the Latest Practicable Date, Wuxi Zhongcheng had 23 limited partners, all of whom were our employees with no limited partner individually held 30% or more interest therein.

Registration with the local commerce department in respect of the aforesaid equity transfers was completed on November 13, 2020. Immediately following the completion of the abovementioned equity transfers, the shareholding structure of our Company was as follows:

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholders	Registered capital	Approximate equity interests
	(RMB)	(%)
Huaguang Environment & Energy	90,000,000	45.0
Tyco Ireland	30,000,000	15.0
Metro Technology	30,000,000	15.0
New Development Group	30,000,000	15.0
Wuxi Zhongcheng	20,000,000	10.0
Total	200,000,000	100.0

Conversion into joint stock limited company

On October 9, 2024, all of our then Shareholders passed the resolutions in relation to the conversion, pursuant to which it was agreed that our Company shall be converted from a limited liability company to a joint stock limited company. Upon the completion of the conversion, our Company had a registered capital of RMB200 million divided into 200,000,000 Shares with a par value of RMB1.00 each, which shall be subscribed by all Shareholders in proportion to their shareholdings in our Company before the conversion. The conversion was completed on December 27, 2024, with the shareholding structure of our Company immediately upon the completion of the conversion as follows:

Name of Shareholders	Number of Shares	Percentage of shareholding
		(%)
Huaguang Environment & Energy	90,000,000	45.0
Tyco Ireland	30,000,000	15.0
Metro Technology	30,000,000	15.0
New Development Group	30,000,000	15.0
Wuxi Zhongcheng	20,000,000	10.0
Total	200,000,000	100.0

Shangrao Chaojie

Shangrao Chaojie is a company established under the laws of the PRC with limited liability on January 13, 2023 with registered capital of RMB20 million. On January 18, 2024, the registered capital of Shangrao Chaojie increased to RMB55 million. Upon its establishment and as of the Latest Practicable Date, Shangrao Chaojie was wholly-owned by our Company.

Guolian Green Science Trading

Guolian Green Science Trading is a company established under the laws of the PRC with limited liability on October 20, 2025 with registered capital of RMB15 million. Upon its establishment and as of the Latest Practicable Date, Guolian Green Science Trading was owned as to 95% by our Company and 5% by Shanghai Enjie, a wholly-owned subsidiary of our Company.

Employee Stock Ownership Scheme

In order to attract goal-aligned talents to join the Group, foster entrepreneurship and drive industrial development and business expansion, we established Wuxi Zhongcheng as our employee stock ownership platform. For further details regarding our Employee Stock Ownership Scheme, please see “Appendix VI — Statutory and General Information — D. Employee Stock Ownership Scheme” in this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Compliance with Laws and Regulations

As advised by our PRC Legal Advisor, the establishment, historical equity transfers, change in registered capital and conversion into a joint stock company with limited liability of our Company as disclosed above have been validly completed and the procedures involved for the registration of change of company as required under applicable PRC laws have been completed.

DISPOSAL OF SUINING CHAOJIE

In July 2023, Suining Chaojie Intelligent Energy Technology Co., Ltd.* (遂寧市超節智能能源科技有限公司)(“**Suining Chaojie**”), a wholly-owned subsidiary of our Company, was established as a project company to carry out an intelligent energy operation and management project entered into between our Company and an Independent Third Party, which was principally engaged in research and development, production, and sales of cells, modules, battery packs and large-scale energy storage. Having considered factors including our business planning, geographic considerations, and the need to align with our long-term development strategy, as well as the benefits of reducing reliance on revenue from a single client and addressing funding needs for entering the computing power center market, we have decided to dispose of Suining Chaojie.

On December 17, 2025, our Company entered into an equity transfer agreement with Wuhan East Lake High Technology Group Co., Ltd.* (武漢東湖高新集團股份有限公司)(“**East Lake High Technology**”), pursuant to which our Company agreed to transfer the entire equity interest in Suining Chaojie, along with the debt owed by Suining Chaojie to our Company, to East Lake High Technology.

The business registration for the equity transfer of Suining Chaojie was completed on January 4, 2026, and Suining Chaojie ceased to be a subsidiary of our Company since then. Our Directors consider that the disposal of Suining Chaojie will not have a material adverse effect on the business operations of our Group.

As advised by our PRC Legal Advisor, all regulatory filings in respect of the disposal have been completed, and there had been no material non-compliance of Suining Chaojie during the Track Record Period.

East Lake High Technology is a joint stock company established in the PRC with limited liability, the A shares of which are listed on Shanghai Stock Exchange (stock code: 600133). East Lake High Technology is principally engaged in environmental technology, including comprehensive flue gas treatment, wastewater treatment, water environment management, solid waste disposal, and energy-saving and carbon reduction. To the best knowledge of our Company, the largest shareholder of East Lake High Technology is Hubei Construction Investment Group Co., Ltd.* (湖北省建設投資集團有限公司), which is ultimately controlled by Hubei Provincial State-owned Asset Supervision and Administration Committee. East Lake High Technology and its ultimate beneficial owners are Independent Third Parties.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we have not engaged in any other material acquisitions, disposals or mergers.

[REDACTED] INVESTMENTS

Our Company obtained investments from the [REDACTED] Investor through equity transfer in our Company. For further details, please refer to “— Corporate Development of our Group — Significant shareholding changes of our Company and our subsidiaries — our Company” in this section above.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Overview

[REDACTED] Investor(s)	Date of capital increase/equity transfer agreements	Consideration	Settlement date	Total number of Shares held as of the Latest Practicable Date	Average cost per Share ⁽¹⁾	Discount to mid-point of the Latest Practicable Date ⁽²⁾	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED] ⁽³⁾
		(RMB)			(RMB)	(%)	(%)	(%)
New Development Group . . .	April 28, 2020	33,588,088.33	May 26, 2020	30,000,000	1.12	[REDACTED]	15	[REDACTED]

Notes:

1. The average cost per Share paid by the [REDACTED] Investor is calculated based on the investment amounts made by the [REDACTED] Investor divided by the number of Shares the [REDACTED] Investor actually held as of the Latest Practicable Date.
2. For illustration purposes only, calculated on the basis of the [REDACTED] of HK\$[REDACTED], the mid-point of the [REDACTED] [REDACTED] of [REDACTED] and [REDACTED], and based on the currency conversion rate of RMB0.87504:HK\$1.
3. Based on the enlarged issued share capital of our Company immediately upon completion of the [REDACTED] (without taking into account the Shares which may be issued pursuant to the exercise of the [REDACTED]).

Principal terms of the [REDACTED] Investments

A summary of the principal terms of the [REDACTED] Investments is set forth below:

Basis of determination of the consideration:	Arms’ length negotiations between the parties after taking into consideration of the valuation of the entire shareholders’ interest of our Company at relevant time made by independent valuer.
Use of proceeds:	As the [REDACTED] Investment was conducted through equity transfer between New Development Group and the then Shareholder of our Company, no proceeds were raised by our Company.
Strategic benefits to our Company:	Our Directors believe that the [REDACTED] Investor brought extensive business synergies, and provided sustainable growth opportunities for our business expansion. The synergy will be reflected in the joint development of large-scale integrated energy projects, the promotion of technological standards integration, and the acceleration of our nationwide market presence.
Lock-up period:	Pursuant to applicable PRC laws and regulations, within one year following the [REDACTED], the [REDACTED] Investor shall not dispose of any Shares held by it.

Special rights of the [REDACTED] Investor

No special rights were granted to our [REDACTED] Investor, and our [REDACTED] Investors will not be entitled to the special rights that are not available to any other Shareholders at the time of [REDACTED].

Compliance with the guideline regarding the [REDACTED] Investments

Having considered the terms of the [REDACTED] Investment, and on the basis that the [REDACTED] Investment was completed more than 28 clear days before the date of first submission of the [REDACTED] application, the Joint Sponsors have confirmed that the investment made by the [REDACTED] Investor is in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Information about the [REDACTED] Investor

The background of our [REDACTED] Investor is set out below. To the best of our Company’s knowledge, the [REDACTED] Investor and its beneficial owner are Independent Third Parties.

New Development Group

New Development Group is a limited liability company established under the PRC laws and is principally engaged in infrastructure construction, public facility development and operation and real estate development. As of the Latest Practicable Date, New Development Group is wholly owned by Wuxi Gaofa Investment Development Group Co., Ltd.* (無錫市高發投資發展集團有限公司), which is in turn wholly owned by People’s Government of Xinwu District of Wuxi City.

PUBLIC FLOAT

Immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Company will have a total of [REDACTED] Shares (comprising [REDACTED] Unlisted Shares and [REDACTED] H Shares), among which:

- (i) the [REDACTED] Shares (representing approximately [REDACTED] of our total issued Shares upon [REDACTED] assuming that the [REDACTED] is not exercised) will not be considered as part of the public float as such Shares are held by Huaguang Environment & Energy, New Development Group, Tyco Ireland and Metro Technology, each a substantial shareholder and core connected person of our Company; and
- (ii) the [REDACTED] Shares (representing approximately [REDACTED] of our total issued Shares upon [REDACTED] assuming that the [REDACTED] is not exercised) will not be considered as part of the public float as such Shares are held by Wuxi Zhongcheng, a close associate of Mr. Heng Size, our executive Director, and thus a core connected person of our Company.

In light of the above, the public float of our Company will be [REDACTED] upon [REDACTED] (assuming the [REDACTED] is not exercised), which is in compliance with the requirements under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

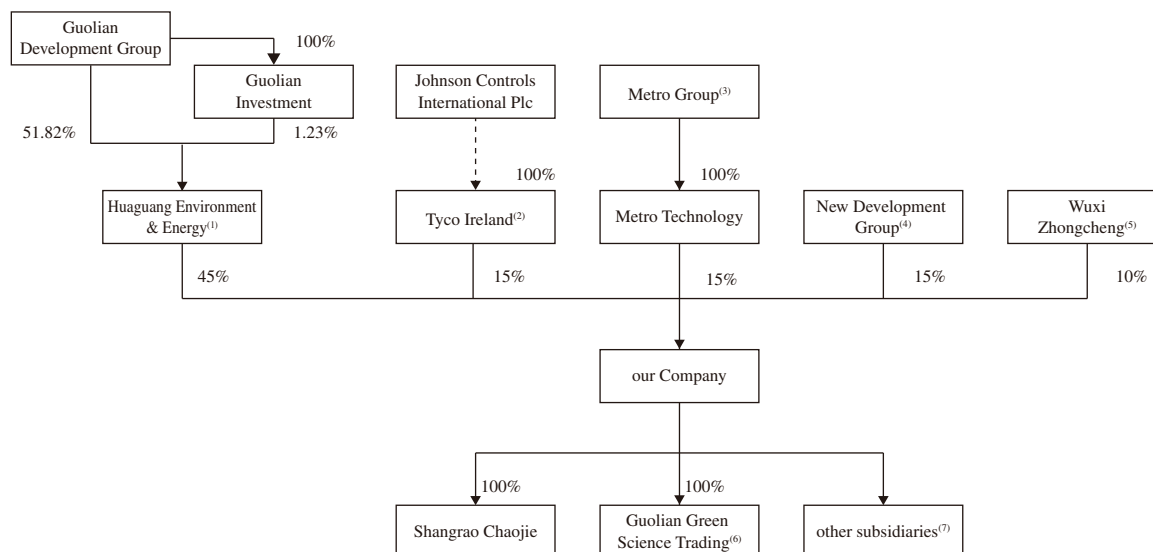
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

To the best of our Directors’ knowledge, information and belief and having made all reasonable inquiries, the [REDACTED] H Shares to be issued pursuant to the [REDACTED] (representing approximately [REDACTED] of our total issued Shares upon [REDACTED] assuming that the [REDACTED] is not exercised) are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low end of the [REDACTED] [REDACTED] of [REDACTED] per H Share, the Company will satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our shareholding and group structure immediately prior to the [REDACTED]:



Notes:

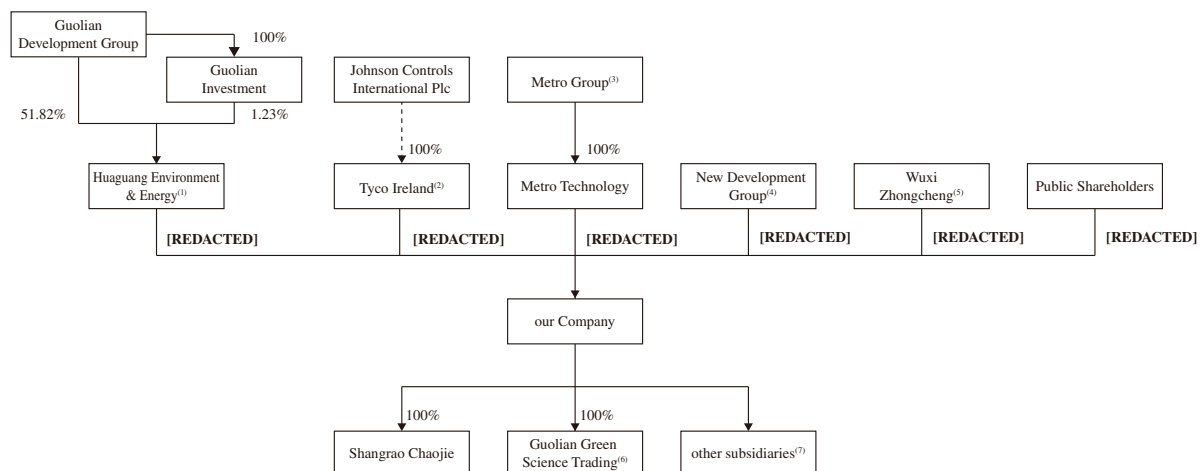
Dashed line denotes indirect shareholding.

- (1) The A shares of Huaguang Environment & Energy are listed on Shanghai Stock Exchange (stock code: 600475). As of April 30, 2026, Huaguang Environment & Energy was in turn directly owned as to 51.82% by Guolian Development Group and indirectly owned through Guolian Investment, a wholly-owned subsidiary of Guolian Development Group, as to 1.23%. Guolian Development Group was owned as to 59.13% by Wuxi SASAC, 34.42% by Wuxi Guofa Capital Operation Co., Ltd.* (無錫市國發資本運營有限公司), a wholly-owned subsidiary of Wuxi SASAC, and 6.44% by Jiangsu Provincial Finance Bureau.
- (2) Tyco Ireland is ultimately controlled by Johnson Controls International Plc, the shares of which are listed on New York Stock Exchange (stock code: JCI). To the best of knowledge of our Directors, Johnson Controls International Plc does not have a controlling shareholder.
- (3) Wuxi Metro Group Co., Ltd.* (無錫地鐵集團有限公司) (“**Metro Group**”) is owned as to 91.75% by Wuxi SASAC, 4.01% by CDB Development Fund Co., Ltd.* (國開發展基金有限公司) (ultimately controlled by Ministry of Finance of the PRC), 1.88% by Guolian Development Group, 1.69% by Wuxi Construction Development Investment Co., Ltd.* (無錫市建設發展投資有限公司) (a subsidiary of Wuxi SASAC), and 0.67% by Wuxi Transportation Industrial Group Co., Ltd.* (無錫市交通產業集團有限公司) (controlled by People’s Government of Wuxi City).
- (4) For details of the background of New Development Group, please see “— [REDACTED] Investments — Information about the [REDACTED] Investor” in this section.
- (5) Wuxi Zhongcheng is our Employee Stock Ownership Platform, with Mr. Heng Size, our executive Director, acting as its general partner.
- (6) Guolian Green Science Trading is owned as to 95% by our Company and 5% by Shanghai Enjie, a wholly-owned subsidiary of our Company.
- (7) Our other subsidiaries include Foshan Enjie, Guangdong Haiborui, Wuxi Haiborui, Qinhuangdao Taili, Shanghai Enjie, Xinfu Zhilian and Yangzhou Energy.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart sets forth our shareholding and group structure immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

(1) to (7) Please refer to the notes as set forth in “Our Structure Immediately Prior to the [REDACTED]” above.

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OVERVIEW

Who We Are

We are a leading full-cycle intelligent energy management solutions provider in China. By integrating advanced energy-saving products and proprietary software systems into our solutions, we provide intelligent energy management solutions covering the entire value chain from assessment, design, construction to operation and maintenance. We offer customized intelligent energy operation and management solutions and energy efficiency solutions tailored to client needs. Our solutions are deployed across a wide range of application scenarios, including public and commercial buildings, industrial facilities and data centers.

We ranked second among full-cycle intelligent energy management solutions providers in China and first in Eastern China in terms of revenue in 2025, according to Frost & Sullivan. We were awarded High-Tech Enterprise in Jiangsu Province in 2023 and recognized as a Specialized, Sophisticated Small and Medium-sized Enterprise in Jiangsu Province in 2024. Moreover, we obtained AAAAA certification for energy management contract services and AAAAA certification for comprehensive energy services, which is the highest certification grade awarded by the China Energy Conservation Association. In 2026, our intelligent energy-carbon management solution was included in the list of trusted solutions for innovation by MIIT.

Centered on full-cycle services, we provide customized intelligent energy operation and management solutions and energy efficiency solutions across various industries. Unlike traditional models that normally offer only standalone equipment or single-phase engineering services, our fully-cycled intelligent energy operation and management solutions are tailored to customers’ specific energy consumption characteristics, enabling flexible business models. This approach supports our customers in carrying out long-term, stable energy management, reducing their energy investment risks, improving energy efficiency, and lowering energy costs and carbon emissions. In addition, we have in-house developed a series of high-efficiency evaporative cooling products, the GLJC-AIBox that enhances HVAC system efficiency, and an energy and carbon management platform enabling intelligent operations. These products and systems are integrated into our intelligent energy operation and management solutions, enriching our service offerings and enhancing service quality.

We have developed modular solutions to address the diverse energy management needs of customers across specific industries and scenarios. Our modular solutions include modular evaporative-cooled packaged chiller, oil-free centrifugal evaporative-cooled product series, and fully modular containerized systems for AIDC. According to Frost & Sullivan, we are among the first in China to launch fully modular containerized systems for AIDC. To meet the demand for rapid deployment and efficient operation of AIDC, we offer factory-pre-engineered, fully modular, containerized AIDC solutions that enable “factory pre-assembly and rapid on-site installation,” significantly shortening construction timelines. Furthermore, the modular hardware is deployed with functionally segmented zones, supporting flexible configuration and iterative upgrades. This enables a flexible, integrated AIDC solution that adapts to evolving computing power demands, covering AI computing, general-purpose computing, and edge computing scenarios.

We focus closely on clients’ energy consumption needs to enhance efficiency and help them unlock energy-saving potential. We are committed to our core strategy to support the low-carbon transition of various industries and build a sustainable future. As of December 31, 2025, we had undertaken over 120 projects in industrial buildings, over 130 projects in public and commercial buildings and over 10 projects in data centers. We have built our foundation in the Yangtze River Delta region, where the intelligent energy management solutions industry is believed to be well-established with strong growth potential, while also establishing a broad business footprint across China. As of December 31, 2025, our customers covered 23 provinces, municipalities, and autonomous regions

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nationwide. Our notable clients include SHCCIG Yulin Chemical Co., Ltd.* (陝煤集團榆林化學有限責任公司), Wanxiang A123 Systems Corp.* (萬向一二三股份公司), Sunan Shuofang International Airport Co., Ltd.* (蘇南碩放國際機場有限公司), SVOLT Energy Technology Co., Ltd.* (蜂巢能源科技有限公司), Changzhou First People’s Hospital* (常州市第一人民醫院), China Merchants Property Development Co., Ltd.* (招商局地產控股股份有限公司), China Telecom Corporation Limited Sichuan Branch* (中國電信股份有限公司四川分公司).

Through project implementations, we have accumulated rich industry experience. Since the inception of our business and up to December 31, 2025, we had 71 intelligent energy operation and management projects that had entered into the stage of operation and had completed 151 intelligent energy efficiency projects. As of December 31, 2025, we had 72 ongoing intelligent energy operation and management projects, among which 55 projects were in the stage of operation and 17 projects were in the stage of investment and construction. Over the years, our projects have received numerous prestigious industry awards and recognitions. For example, the “Nanjing New Town Tower” (南京新城大廈) project was awarded the “National Top Ten Project” (全國十佳項目) by the Nanjing Municipal Government Offices Administration* (南京市機關事務管理局) in [2021]. The Linyang Solar Energy project, JA Solar High-Efficiency Data Center project, and Canadian Solar Photovoltaic Power Generation Cell project each received the “High-Efficiency Data Center Certification” from the China Electronics Energy-Saving Technology Association in 2025. Our Lihu Central Park project received the “WELL Platinum Certification” from the International WELL Building Institute and the “LEED Platinum Certification” from Green Business Certification Inc. in the same year.

Our Market Opportunities

The transition to low-carbon and low-energy consumption is becoming a consensus across industrial sectors, driven by the “dual carbon” national strategy and exponential growth in power demand from AI large model training and inference. In this regard, the intelligent energy management industry is expected to grow continuously. According to Frost & Sullivan, the market size of China’s intelligent energy management solutions market is expected to grow from RMB221.5 billion in 2025 to RMB315.1 billion in 2030, with a CAGR of 7.3%. From an industry perspective, the rapid growth of AI in recent years has fueled a boom in data center construction, leading to surging demand. According to the same source, the intelligent energy management solutions market for data center segment is expected to reach RMB46.8 billion by 2030, representing a CAGR of 21.2% from 2025 to 2030. Furthermore, the *Proposal for the “15th Five-Year Plan” on National Economic and Social Development* (《國民經濟和社會發展第十五個五年規劃的建議》) introduced a “dual-control system” for both the total amount and intensity of carbon emissions, which is expected to drive increasing demand for energy-saving and carbon reduction upgrades among high energy-consuming enterprises. Against this backdrop, the PRC government has also promulgated a series of policies, including the *Notice on Promoting the Development of Carbon-Neutral Industrial Parks* (《關於開展零碳園區建設的通知》) and the *First Batch of National Carbon-Neutral Industrial Park Pilot List* (《國家級零碳園區建設名單(第一批)》), accelerating the development of Carbon-Neutral industrial parks. These policy initiatives provide strong driving force for the growth in the carbon-neutral industrial park segment, which is expected to reach RMB9.6 billion in 2030 with a CAGR of 64.4% from 2025 to 2030.

Looking ahead, with the continuous awareness of green economy, the advent of AI era and the supportive governmental policies, the intelligent energy management industry is expected to unlock broader market potential. We believe we are well positioned to capture the development opportunities arising from this energy transition and industry innovation.

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OUR COMPETITIVE STRENGTHS

Distinct products and technologies, enabling integrated solutions.

Our solutions are built upon proprietary products and technologies. On the product front, we have developed proprietary equipment and systems, including our evaporative cooling product series and fully modular containerized AIDC solutions, which integrate high-efficiency cooling and intelligent control technologies, achieving industry-leading performance metrics across key indicators. Our proprietary intelligent energy and carbon management platform enables comprehensive, centralized intelligent control of energy consumption, offering flexible scalability and customization capabilities. Through the deep integration of our energy-saving products and proprietary software systems, our solutions achieve exceptional energy efficiency performance.

Our Energy-saving Products

Our evaporative cooling products are equipped with multiple patented technologies. Compared with traditional chiller plants composed of discrete components such as water-cooled chillers, cooling towers, and cooling water distribution units, the whole series of our evaporative cooling products is integrated, improving overall energy efficiency by reducing the number of heat exchange steps and lowering condensing temperatures. Our products are characterized as high efficiency, easy maintenance, compact footprint, and particularly suitability for retrofit projects. In particular,

- our evaporative cooling product portfolio mainly covers five core categories: (i) modular evaporative-cooled packaged chiller, (ii) evaporative-cooled variable-speed oil-free centrifugal packaged chiller, (iii) oil-free centrifugal evaporative-cooled direct-expansion cabinet unit, (iv) oil-free centrifugal evaporative-cooled phase-change free-cooling system and (v) evaporative-cooled refrigerant pump integrated phase-change system. The coefficient of performance (COP) of the full product series ranges from 5.0 to 9.0, with many products meeting the national double Level 1 energy efficiency standard. Our evaporative cooling products have a wide range of applications, including data centers, commercial complexes, hospitals, office buildings, transportation facilities, and energy-intensive industrial sectors such as new energy, semiconductors, and biopharmaceuticals; and
- we have developed the GLJC-AIBox, an intelligent optimization control product based on edge control, AI algorithms, and big data technologies. The product significantly enhances the operational efficiency and intelligence of cooling systems. It supports integrated design, compatible with cloud platforms and building management systems (BMS), therefore is easy to deploy. In addition, it is equipped with localized AI optimization control software that enables load prediction, real-time regulation, and continuous improvement of equipment coefficient of performance (COP). Our GLJC-AIBox can be widely applied in scenarios such as energy-saving retrofits of industrial buildings, energy efficiency improvement of commercial buildings, intelligent control of hospitals and data centers, and centralized energy management of multi-site facilities.

Our Intelligent Energy and Carbon Management Platform

Our intelligent energy and carbon management platform integrates multiple systems with collaborative and analytical capabilities, including facility management and control systems, building control systems, power distribution and energy metering systems, environmental monitoring systems, and new energy management systems. Designed for buildings, industrial facilities and industrial parks, the platform is focused on reducing energy costs and carbon emissions while improving operational efficiency. Its functionalities cover data collection, real-time monitoring, energy consumption tracking, analysis and diagnostics, optimization decision-making, as well as integrated capabilities encompassing

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energy system operation management, carbon emission management, equipment and facility operation and maintenance, and intelligent control. In addition, the platform supports customized development and other value-added services based on customer demands. In terms of technology applied, the platform is data-driven and adopts a “cloud-edge-device” collaborative architecture, establishing a full-process closed loop from data collection and operation monitoring to optimization decision-making and execution. This enhances operation and maintenance efficiency and ultimately enables customers to achieve intelligent energy management.

Our One-stop Solutions Covering a Wide Range of Application Scenarios

Our solutions focus not only on the energy efficiency of individual products and systems but also on the integration of efficient products and technologies within the ecosystem, combining them with energy consumption scenarios and control platforms to form comprehensive solutions with competitive edge. Targeting to improving the overall energy utilization efficiency of buildings or enterprises, we provide customized, one-stop solutions tailored to the production processes and application characteristics of different industries.

- ***Public and commercial buildings.*** For commercial complexes, office buildings, hotels, and transportation hubs, which face challenges including significant fluctuations in energy load, stringent environmental requirements, and difficulties in system coordination and management, we have developed a technology framework encompassing comprehensive energy system efficiency upgrades, integrated intelligent energy and carbon control, big data and AI-enabled optimization, and comprehensive energy-saving operation management. Through standardized high-efficiency energy system retrofit solutions, combined with customized comprehensive energy-saving services, we reduce the total energy consumption and operation and maintenance costs of mechanical and electrical systems, such as HVAC, hot water, lighting, elevators and kitchens while ensuring indoor environmental comfort and operational safety. This enables us to achieve a 15%–30% reduction in overall building energy consumption, delivering efficient, stable, and low-carbon full-scenario intelligent energy management solutions for public and commercial facilities.
- ***Industrial buildings.*** We address industrial buildings of both emerging sectors and traditional energy-intensive industries, including new energy, power batteries, microelectronics, semiconductors, biopharmaceuticals, chemicals, and steel sectors, characterized by high-process and high-energy-consumption scenarios. By an in-depth analysis of energy consumption characteristics and production demands, we leverage system optimization design, high-efficiency energy-saving equipment and systems as well as our intelligent energy management and resource recovery technologies to provide full-cycled one-stop services for the power and energy systems of new and existing industrial plants, from planning and design (i.e. energy-saving optimization design) to investment and construction, and from commissioning to operation. These services improve the comprehensive operational efficiency of systems such as cooling, air conditioning, air compression, heating, pumps and fans, and water circulation. Combined with measures such as waste heat and pressure recovery and utilization, distributed photovoltaic and other new energy system installations, we can achieve a 50% improvement in overall energy efficiency. This helps customers reduce costs, increase efficiency, cut carbon emission and energy consumption, support green production and sustainable development of industrial enterprises, and set a benchmark for industrial green energy services.
- ***Low-carbon and carbon-neutral industrial parks.*** Driven by the demand and goals of multi-energy complementarity, carbon footprint control and carbon neutrality, we integrate technologies including mechanical and electrical system efficiency enhancement, waste heat recovery and utilization, distributed new energy, energy storage coordination wing, digital

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facility management, and energy and carbon management platforms by leveraging on our extensive experience in energy efficiency improvement and high-efficiency energy system construction in buildings and industrial settings. This enables us to build an integrated management and control system comprising “source-grid-load-storage-carbon”, achieving energy structure optimization, energy efficiency improvement, and low-carbon operation for parks. We continuously extend our service boundaries, offering full-process solutions for low-carbon parks and helping them achieve precise carbon accounting, efficient offsetting, and full-cycle carbon management using our multi-energy collaborative scheduling algorithms and carbon emission quantification capabilities.

- **Data centers.** Data centers impose high requirements for the stability, precision, and environmental control of energy systems. For aged facilities, our retrofit projects generally require achieving a PUE of below 1.5. Guided by the core principle of high-efficiency cooling, intelligent group control, thermal management optimization, and system redundancy design, we integrate self-developed products, such as the evaporative-cooled refrigerant pump integrated phase-change system and the oil-free centrifugal evaporative-cooled direct-expansion cabinet unit, to deliver comprehensive solutions with high energy efficiency and reliability.
- **AIDC.** To address the demand of AI computing centers of high density, high power consumption, fast delivery, and high reliability, we provide a fully modular containerized integrated system that enables prefabrication and factory integration of computing power, power supply and distribution, cooling, and intelligent control as a single package. Compared with traditional construction methods, our solution significantly shortens the construction timeline from the industry norm of 18-24 months to 6-12 months for AIDC of the comparable scale, while ensuring stable system operation and high energy efficiency. According to Frost & Sullivan, we are among the first companies in China to launch a modular integrated system for AIDC, giving us a first-mover technological advantage and the potential for large-scale deployment.

Ability to meet diverse customer demands through multiple coordinated business models.

We adopt diverse business models based on customer demands. For customers with strong comprehensive strength and growth potential, we offer full-cycle intelligent energy operation and management solutions on a risk-controllable basis through an energy hosting model or shared savings model, seeking a long-term, stable, win-win partnership with these customers. Our intelligent energy operation and management solutions cover the entire cycle of assessment, design, construction, operation, and maintenance. We typically charge customers energy service fees during the operational phase of a project or alternatively share a pre-agreed percentage of the actual energy savings achieved. In the meantime, we offer flexible service models, allowing customers to select one or more phases of our full-cycle intelligent energy operation and management solutions based on their specific needs. Furthermore, leveraging our data analytics capabilities and refined operational processes, we have introduced an energy efficiency guarantee mechanism for certain projects, guaranteeing the achievement of core performance indicators during the operational phase and ensuring that customer energy savings are quantifiable and achievable.

We deeply integrate our self-developed core products, such as the evaporative cooling product series and the GLJC-AIBox, into our solutions, forming a dual-driven “*solution + product*” model. This strategy not only raises the competitive barrier but also reduces marginal costs by facilitating customers reach through product promotion. Furthermore, our intelligent energy operation and management solutions help create pilot projects for our self-developed products, enabling us to rapidly expand market share and quickly acquire high-value customers in emerging sectors.

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These different business models address the diverse needs of our customers on the one hand, and, on the other hand, enables an integration of upstream and downstream players in the industry chain, fostering an ecosystem. By leveraging the distinct strengths of partners within this ecosystem, we are able to develop unique solutions for specific customers, achieving a transition from standalone services to a high-value ecosystem.

Established collaborative ecosystem for mutual benefits.

Value Chain Synergy

We have built a collaborative ecosystem for intelligent energy management solutions by leveraging our dual-engine advantages of full-cycle service capabilities and diversified business models. This ecosystem covers the business and technology partners across the full-cycle service value chain, including assessment, design, construction, operation and maintenance. We have built relationships with business partners, including equipment suppliers, engineering contractors, operation and maintenance service providers and other energy management companies, integrating resources and channels from upstream and downstream of the industry. We work with business partners of our intelligent energy operation and management projects and intelligent energy efficiency projects to deliver customized solutions. Through customer referrals, information sharing and joint marketing, we achieve synergistic development with ecosystem participants aiming at long-term, stable relationships along the value chain. Below are two examples:

- ***Self-developed integrated capabilities.*** Our solutions for customers are built around our proprietary R&D, leveraging our integrated capabilities to assemble supporting equipment resources. During the Track Record Period, we used our proprietary technologies to design and develop core products, while working with equipment manufacturers within our ecosystem, and completed system integration on this basis. This model preserves the self-developed advantages of our core products while achieving efficient system coordination and stable delivery through integrated solutions, creating complementary strengths between us and our suppliers. We also work with other energy management companies within our ecosystem, applying our energy efficiency guarantee model to provide greater assurance of energy savings for these partners.
- ***Construction and operation and maintenance services.*** During the construction and operation and maintenance stages, we work with professional engineering companies and local operation and maintenance partners to establish long-term strategic partnerships. These collaborations ensure project quality, on-time delivery and stable operation of our intelligent energy and carbon management platform. Leveraging continuous data updates to our facility operation and management system, which serves as our centralized supplier management system, we continuously optimize our solutions for customers. Additionally, engineering companies and local operation and maintenance partners may share with us their own customer bases and channels and at the same time provide operation and maintenance, energy efficiency upgrades and retrofit services for our existing customers.

Strong R&D capabilities and continuous improvement of our solutions.

Our R&D team consists of 38 members. Our core consultant is a senior expert in the field of control systems, with extensive experience in control systems and computer algorithm optimization in the energy sector and has been providing professional support for our control technology standardization and algorithm application capabilities.

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Leveraging our project experience, integrated application of core technologies and operational data, we continuously optimize our solutions. Our core team has accumulated substantial industry experience in energy management, cooling technology, system design and related fields, enabling us to accurately identify industry pain points and stay abreast of technological trends. We have successfully delivered benchmark projects across multiple industries and application scenarios over the years, which lays a solid foundation for our future development and innovation. Through in-depth understanding and application of core proprietary technologies, including evaporative cooling, AI control and energy efficiency optimization algorithms, we target to breaking through technological barriers and achieve technological upgrades. Leveraging our project operational data, we continuously refine and upgrade our solutions through data analysis, demand exploration and performance optimization, ensuring that our services and solutions are scientifically sound, practical and forward-looking. These capabilities enable us to continuously develop more innovative and customer-oriented solutions, further strengthening our competitive advantages in the intelligent energy management solutions market. Additionally, we have established collaborations with well-known domestic universities and research institutions, leveraging external research capabilities to continuously iterate and upgrade our proprietary technologies. As of December 31, 2025, we held 19 invention patents, 45 utility model patents and 48 software copyrights.

Diversified customer base and well-recognized market reputation.

We serve customers from various sectors, including public and commercial buildings, industrial enterprises, low-carbon and carbon-neutral parks, and data centers.

- **Public and commercial buildings.** Over the years, we have delivered a number of national and provincial demonstration projects. For example, our intelligent energy operation and management project at Nanjing New Town Tower received the “National Top Ten Project” award from the Nanjing Bureau of Government Affairs, establishing it as a benchmark in the field of public building energy conservation in China. Our notable customers in this sector include Sunan Shuofang International Airport Co.,Ltd.* (蘇南碩放國際機場有限公司), Changzhou First People’s Hospital* (常州市第一人民醫院), Wuxi Mental Health Center* (無錫市精神衛生中心), China Merchants Property Development Co., Ltd.* (招商局地產控股股份有限公司) and Foshan Jiaming Jiazhou Plaza Commercial Co., Ltd.* (佛山市佳明嘉州廣場商業有限公司).
- **Industrial enterprises.** Our customers in the industrial enterprise sector primarily focus on strategic emerging industries and traditional high energy-consuming industrial sectors, including new energy, power batteries, electronics and semiconductors, biopharmaceuticals and chemicals. Our notable customers in this sector include SHCCIG Yulin Chemical Co., Ltd.* (陝煤集團榆林化學有限責任公司), SVOLT Energy Technology Co., Ltd.* (蜂巢能源科技有限公司), Shanghai Liangxin Electrical Co., Ltd.* (上海良信電器股份有限公司), Jiangxi Lianyi Technology Co., Ltd.* (江西聯益科技股份有限公司), Shandong Shiheng Special Steel Group Co., Ltd.* (山東石橫特鋼集團有限公司) and Wanxiang A123 Systems Corp.* (萬向一二三股份公司).
- **Data centers.** During the Track Record Period, we completed an intelligent energy efficiency retrofit project for Sichuan Telecom’s data centers, upgrading traditional air-cooled air conditioning systems to our oil-free centrifugal evaporative-cooled phase-change free-cooling systems, which reduced the PUE of the data centers to below 1.5. Over the years, we have accumulated quality customers in this sector, including China United Network Communications Co., Ltd. Wuxi Branch* (中國聯合網絡通信有限公司無錫市分公司). Going forward, we will actively expand our customer base in this sector, primarily focusing on energy-saving retrofit projects.

We have built stable relationship with our customers and obtained wide recognition and trust from our customers.

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Experienced management team and strong shareholder background.

We are led by a management team with extensive industry experience. Mr. Huang Yi, our Chairman of the Board, has approximately 20 years of experience working in engineering design companies. Mr. Huang has led our innovation and development in green technology, energy conservation, environmental protection and energy management, demonstrating outstanding management capabilities and strategic vision. Mr. Heng Size, our executive Director and general manager, has over 25 years of experience in the HVAC. Together, Mr. Huang and Mr. Heng provide strong leadership and clear direction for our strategic and business objectives, and are widely recognized within the industry.

Additionally, we have a young and well-educated workforce. As of December 31, 2025, the average age of our employees was 38 years old, with approximately 74% holding a bachelor’s degree and approximately 13% holding a master’s degree or above. We maintain a streamlined corporate structure, with approximately 50% of our employees directly engaged in business development and support functions. Further, we foster a people-oriented corporate culture that places great emphasis on the personal value of our employees, striving to achieve shared growth with our workforce. We have established performance-based incentive and training mechanisms to support employee development. By providing strong support and care for our employees, we significantly enhance their motivation for innovation and attract and retain top talent in the industry.

Our founding shareholders include Wuxi SASAC-owned Guolian Development Group and an international industry giant, Johnson Controls International Plc. This strong shareholder background enables close collaboration among us in business development, allowing us to achieve mutual benefits.

OUR STRATEGIES

Deepen our presence in existing vertical markets and sustain our advantages in key energy management service markets.

We will continue to deepen our presence in our existing markets and application sectors. In the new energy sector, we have accumulated several benchmark projects in sub-sectors including photovoltaics and new energy batteries, establishing reusable solutions and customer recognition. We will continue to increase resource allocation in this sector, deepen our understanding of industry-specific energy consumption characteristics and production processes, enhance our system energy efficiency optimization and low-carbon operation and maintenance capabilities, and strengthen project delivery quality and responsiveness to expand our customer coverage across the new energy industry chain.

Our experience in successful operation of several Class III Grade A hospital projects, has enabled us to build and expand our customer base in the healthcare sector. We will continue to invest in refining our energy efficiency management and emergency support systems for hospital scenarios, enhance service depth and delivery quality, and consolidate and expand our market share in the public healthcare building sector.

In the commercial building sector, we draw on our experience in high-end office buildings and large-scale commercial complexes. We will further optimize our AI algorithm-driven load forecasting and intelligent control capabilities, enhance the replicability of our standardized service offerings, and further solidify and increase our market share by strengthening localized service teams and project delivery capabilities.

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For traditional high energy-consuming enterprises, we will focus on system efficiency improvement, low-carbon retrofitting, and waste heat recovery in production processes, providing tailored energy-saving solutions and efficient energy management services. Through continued focus and resource allocation in these vertical markets, we aim to improve our service and delivery capabilities, consolidate our competitive advantages, and achieve steady growth in market share.

Accelerate our expansion into high-growth sectors.

We plan to expand our products and solutions into several high-growth industries and application sectors, including AI data centers, electronics and semiconductors, and carbon-neutral parks. To this end, we will refine our industry-specific solutions, strengthen coordination between technology R&D and project delivery, and gradually enhance our technical influence and brand recognition.

Driven by market demand, our focus in the AIDC sector remains on high-density dissipation, high reliability and ultra-high energy efficiency. We will optimize our existing modular, containerized AIDC solutions, with a particular focus on improving energy efficiency and flexible adaptability to meet the needs of domestic computing centers.

Building on our existing project foundation in the pan-semiconductor field, we intend to further deepen our presence in the electronics and semiconductor industry. Our customized energy efficiency solutions will be enhanced to meet the stringent requirements for temperature and humidity control, clean environments and continuous operation, thereby accelerating our market penetration.

Aligning with national policies, we will upgrade our services from low-carbon parks to carbon-neutral parks, developing integrated solutions for carbon-neutral park.

Strengthen R&D and innovation in software and hardware products, and enhance our intelligent energy product matrix.

We take technological innovation as our core growth driver, focusing on the R&D and upgrading of core software and hardware products in the field of intelligent energy management. We will continue to invest in three key areas: (i) product performance optimization; (ii) integrated technological innovation; and (iii) expanded application scenarios. These efforts will enhance our technical capabilities and product competitiveness, enrich our solution and product portfolios, and meet the evolving needs of customers across various sectors for energy efficiency optimization and low-carbon operation.

With respect to energy-saving hardware products, we will continue to advance product iteration and performance optimization of our core self-developed evaporative cooling product series to improve product energy efficiency, operational stability, and scenario adaptability. We will optimize the design and processes of core products, including condensers, chiller plants, cooling systems, and direct-expansion units, and enhance their performance in energy saving, space efficiency, and lightweight retrofitting. In response to industry demand, we will also pursue the R&D and upgrading of core heating products, thereby enriching our hardware product portfolio and achieving coordinated development of energy-saving products for both cooling and heating energy management. This will further enhance product adaptability across application scenarios and lay a foundation for system-level energy efficiency optimization.

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Regarding software products, we will increase research and development investment in our self-developed intelligent energy management platform and upgrade it to an intelligent energy and carbon management platform. We will continuously optimize its core functional modules and enhance its scalability and customization capabilities to achieve deep connectivity and data integration with customers’ business systems and industrial processes in different sectors. We will also deepen the integration of AI algorithms into our platform. Relying on core algorithmic models, including intelligent optimal control and energy load forecasting, we aim to enable more precise energy management instructions and more efficient system operation through intelligent control products such as the GLJC-AIBox, thereby advancing the intelligent upgrading of energy and carbon management systems. Through software and hardware integration, we will continuously improve customers’ energy efficiency and support the achievement of their carbon reduction targets.

As for our solutions, we will continue to increase R&D investment in solution productization, identify common industry needs, and integrate energy-saving technologies and products. While retaining the flexibility of customized services, we will develop a series of standardized intelligent energy product systems. Through standardized products, we will achieve rapid implementation, scalable replication, and promotion of our solutions, thereby improving market expansion and strengthening our competitiveness for scalable growth.

Finally, we will seek to expand upstream and downstream along the industry value chain through acquisitions and vertical integration to meet the evolving and diversified needs of our customers and to improve our cooling and heating product matrix.

Deepen and optimize domestic market presence and expand into Southeast Asian markets.

Leveraging our full-cycle intelligent energy management solutions capabilities, we will increase investment, strengthen human resource allocation, expand our network of regional offices, enhance localized service capabilities, and strategically establish regional business centers to broaden our geographic coverage and service depth. These initiatives will improve our market development capabilities and project delivery efficiency while consolidating our competitive advantages.

In the domestic market, we will reinforce our established presence in core regions, including the Yangtze River Delta and Pearl River Delta, and increase resource allocation in key regions, including the Beijing-Tianjin-Hebei region, Chengdu-Chongqing region, and central China. Expanding local teams, optimizing regional service networks, and increasing marketing efforts will improve our responsiveness to local market demand. Considering the characteristics of each local market, we will focus on local high-quality and core industries to increase our market share.

Regarding overseas expansion, we will leverage Hong Kong as our international platform to connect with global standards and resources. Southeast Asia will serve as our initial target market, where we will expand our presence in AI- and AIDC-related computing center projects, as well as our evaporative cooling products. We plan to prioritize the development of flagship projects to address global demand for computing capacity, thereby progressively strengthening our overseas footprint and increasing the contribution of overseas business.

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OUR BUSINESS

We are a leading full-cycle intelligent energy management solutions provider in China. With energy-efficient products and proprietary software systems that are highly integrated into our solutions, we are committed to offering whole-process intelligent energy management solutions covering assessment, design, construction, operation and maintenance to customers across different industry sectors. We provide (i) intelligent energy operation and management solutions and (ii) intelligent energy efficiency solutions, tailored to the needs of our customers.

During the Track Record Period, we generated revenue from intelligent energy operation and management solutions and intelligent energy efficiency solutions. We provide whole-process intelligent energy operation and management solutions under two business models, namely energy hosting model and shared saving model. Under the energy hosting model, we charge our customers energy service fees for the amount of energy we supply during the stages of operation and maintenance. Under the shared saving model, we charge our customers energy service fees proportional to the amount of energy saved during the same stages of the project. We are responsible for operation under the energy hosting model while our customers are responsible for operation under the shared saving model. In addition to intelligent energy operation and management projects under energy hosting model and shared saving model, we also provide operation and maintenance service including operation, management, maintenance and repair services for energy equipment and systems.

During the Track Record Period, we also provide intelligent energy efficiency solutions with advanced equipment and systems and quality engineering services.

The following table sets forth a breakdown of our revenue by business lines, in absolute amounts and as percentages of the total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Intelligent Energy Operation and Management Solutions.	293,169	45.7	410,924	55.8	438,494	68.6
– Energy hosting model.	274,565	42.8	381,455	51.8	400,359	62.7
– Shared savings model.	14,634	2.3	22,413	3.0	25,832	4.0
– Operation and maintenance services	3,970	0.6	7,056	1.0	12,303	1.9
Intelligent Energy Efficiency Solutions	348,999	54.3	326,159	44.2	200,711	31.4
Total	642,168	100.0	737,083	100.0	639,205	100.0

Our business is primarily conducted on a project-by-project basis. During the Track Record Period, we primarily undertook intelligent energy operation and management projects and intelligent energy efficiency projects. Our projects were located across 75 cities and 23 provinces, municipalities and autonomous regions across China as of December 31, 2025.

Intelligent Energy Operation and Management Solutions

We commenced offering our intelligent energy operation and management solutions in 2018. For our intelligent energy operation and management projects, we provide full-cycle solutions covering project assessment, proposal design, project investment, engineering construction, operation and maintenance. We charge our customers energy service fees for the energy supplied or in proportion to the energy saved. As of December 31, 2025, we had 72 ongoing intelligent energy operation and management projects, among which 55 projects were in the stage of operation and 17 projects were in the stage investment and construction.

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Energy Hosting Model

Under the energy hosting model, we are responsible for the assessment, design, investment, construction, operation and maintenance of the project and charge our customers energy service fees during the stage of operation and maintenance. During the term of the project, we retain the ownership of equipment and system which we invested in, built and used in the intelligent energy operation and management solutions while our customers pay an agreed amount of energy service fees typically on a regular basis or agreed energy supply cycle basis. When the term of intelligent energy operation and management project expires, we will transfer the ownership of energy-saving equipment and systems to our customer in accordance with the relevant contractual arrangements and all energy conserved thereafter will be enjoyed by our customers alone.

Below are the key terms of our intelligent energy operation and management contracts under energy hosting model:

<i>Duration:</i>	The project term generally ranges from eight to 20 years.
<i>Our obligations and rights:</i>	We are responsible for the overall investment, design, construction, operation, and maintenance of the project. During the project term, we retain ownership of all equipment and system we invested in and have the right to use such equipment. We provide energy management solutions to the customer and charge energy service fees in return. We shall bear all the risks and costs during the term of the project.
<i>The obligations and rights of our customers:</i>	The customer shall provide the project site, necessary utilities including water and power for construction and necessary assistance. The customer is responsible for handling relevant construction permits and approvals. The customer has the right to supervise the project design, construction quality and project schedule.
<i>Fees and Payment:</i>	The energy service fees are determined either (i) based on agreed fixed annual management fees (the “Entrusted Fees”), or (ii) with reference to the agreed energy price per unit (the “Base Price”), calculated based on per unit of energy consumption or per unit area. The energy service fees may cover primary energy costs and, where applicable, operation, maintenance and personnel management costs, subject to agreed adjustment mechanisms. Customers may choose to pay energy service fees on a monthly, quarterly, annually or agreed energy supply cycle basis, depending on the specific contractual arrangements.
<i>Termination:</i>	The contract may be terminated by mutual agreement, due to force majeure, or if one party commits a material breach and fails to remedy it within a specified period after receiving notice.
<i>Arrangement at the end of the project term:</i>	At the end of the project term, we will transfer ownership of the energy-saving equipment and systems to the customer after it settles all amounts due in full.

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Shared Savings Model

Under the shared savings model, we are responsible for the assessment, design, investment, construction and maintenance of the project and retain the ownership of equipment and system which we invested, built and used in the intelligent energy operation and management solutions during the term of the project. After the construction of a project is completed, our customer has the primary responsibility for operation, while we are responsible for routine maintenance and repair services for the project. We generally provide training to our customers before entering into the stage of operation and perform site visits and provide guidance to our customers on a regular basis during the stage of operation. We and our customer share the actual energy-conserved in the proportions agreed to in the contract during the term of project. We will transfer the ownership of energy-saving equipment and systems to our customer in accordance with the relevant contractual arrangements once the term of the project expires and all energy-conserved thereafter will be enjoyed by our customer alone.

Below are the key terms of our intelligent energy operation and management contracts under shared savings model:

<i>Duration:</i>	The project term generally ranges from four to 20 years.
<i>Our obligations and rights:</i>	We are responsible for the overall investment, design, construction and maintenance of the project. During the project term, we retain ownership of all equipment and system we invested in and have the right to use such equipment. We are obliged to complete the project on time and ensure it achieves the targeted energy savings. During the agreed term of the project, we are entitled to the energy services fees with reference to the agreed proportion of actual energy-conserved.
<i>The obligations and rights of our customers:</i>	The customer shall provide the project site, necessary utilities including water and power for construction and necessary assistance. The customer is responsible for handling relevant permits and approvals. The customer has the right to approve the project design and any subsequent modifications. After the construction of the project is completed, the customer is responsible for the daily operation, while we are responsible for routine maintenance and repair of the equipment and provide necessary assistance.
<i>Fees and Payment:</i>	Both parties shall calculate and confirm the energy savings on a regularly basis. We charge energy service fees with reference to the agreed proportion of actual energy saved.
<i>Termination:</i>	The contract may be terminated by mutual agreement, due to force majeure clause, or if one party commits a material breach and fails to remedy it within a specified period after receiving notice.
<i>Arrangement at the end of the project term:</i>	At the end of the project term, we shall transfer ownership of the energy-saving equipment and systems to the customer after it settles all amounts due in full.

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Project Lifecycle

The following illustrates the typical lifecycle of our intelligent energy operation and management projects:

Stage 1 <i>Project Assessment</i>	Stage 2 <i>Design Proposal</i>	Stage 3 <i>Tender Process/ Commercial Negotiation</i>	Stage 4 <i>Refined Design Proposal</i>
Stage 5 <i>Investment and Construction</i>	Stage 6 <i>Project Operation (only applicable to energy hosting model)</i>	Stage 7 <i>Project Maintenance</i>	Stage 8 <i>Project Transfer</i>

1. *Project assessment:* In early stages of commercial discussions, we conduct an assessment of the target project’s energy profile, including energy usage structure, usage intensity pattern, energy efficiency levels and utilities prices. This allows us to review the overall energy supply of our customer and management efficiency, identify barriers for energy efficiency and discover opportunities for energy-savings.
2. *Design proposal:* We prepare detailed project design based on the results of the project assessment, including energy-saving retrofit pathway, feasibility assessment of project implementation, key equipment drawings, technical parameter selection and targeted energy saving with a view to developing advanced, practical and cost-efficient integrated energy-saving solutions tailored to the specific needs of our customers.
3. *Tender process/Commercial negotiation:* Following the confirmation of the proposed energy-saving solution, we conduct commercial negotiations with our customers including project scope, investment arrangements, energy-saving mechanisms, project settlement and verification arrangement, implementation schedule and other contractual terms. Upon reaching mutual agreement on the technical solution and commercial terms, we enter into an intelligent energy operation and management project contract to formalize the cooperation details and project implementation arrangements. In addition, we also obtain our intelligent energy operation and management projects by tender. The tender process is similar to the one of intelligent energy efficiency projects. See “— Our Business — Intelligent Energy Efficiency Solutions — Project Lifecycle”.
4. *Refined design proposal:* Based on the energy-saving solution set out in the intelligent energy operation and management project contract, we carry out detailed engineering design for the project, including equipment selection, system configuration, engineering design and preparation of the project implementation plan.
5. *Investment and construction:* We make the required investment for the intelligent energy operation and management project and are responsible for the procurement of energy-saving equipment and the construction of the project. During construction, we deploy dedicated project management team onsite to oversee suppliers and subcontractors, manage project progress, control project cost, coordinate with different parties in the project and ensure proper installation, testing, commissioning and documentation of the energy operation systems until project completion. Our onsite project management team is also responsible for overall quality and safety of the project.

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6. *Project operation (only applicable to energy hosting model):* Under energy hosting model, after the construction of the project is completed, the project is entrusted to us and we operate the energy-saving equipment and systems in accordance with the operational requirements during the operation period. We focus on providing safe, stable and efficient energy supply while ensuring compliance with applicable regulatory requirements, while emphasizing demand-side energy management to avoid unnecessary waste and ensure compliance with applicable regulatory requirements.

On the other hand, under shared savings model, our customer is primarily responsible for the day-to-day operation, while we generally provide training to our customers before entering into the stage of operation, we make site visits and provide guidance to our customers on a regularly basis during the stage of operation.

7. *Project maintenance:* Under both energy hosting model and shared savings model, we are primarily responsible for the maintenance and repair of the energy-saving equipment and systems we invested and bear the costs incurred during the term of the project.
8. *Project transfer:* For our intelligent energy operation and management projects, we recognized the equipment and systems we invested and constructed by as our assets during the entrusted operation period. Upon expiry of the project’s term and after our customer settles the amount due under the intelligent energy operation and management project in full, we will transfer the ownership of the equipment and systems to our customer in accordance with the relevant contractual arrangements.

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Our Projects

The following table sets forth the movement of our intelligent energy operation and management projects for the years indicated:

	As of/Year ended December 31,		
	2023	2024	2025
At the beginning of the year ⁽ⁱ⁾	47	57	63
Addition of new projects	13	7	13
Completion of projects.	3	1	4
At the end of the year ⁽ⁱ⁾	57	63	72

Note:

- (i) the number of intelligent energy operation and management projects at the beginning/end of the year includes (a) projects in the stage of investment and construction and (b) projects in the stage of operation.

Our Featured Projects

1. Project B in Shangrao, Jiangxi Province

In 2022, we commenced the intelligent energy operation and management project under the energy hosting model for Customer Y (a subsidiary of Customer A) in Shangrao city, Jiangxi Province, with a term of ten years. Customer Y (a subsidiary of Customer A) is a company principally engaging in the manufacturing of lithium-ion batteries. During the term of the project, we are responsible for the retrofit and operation of the energy systems including chilled water, hot water, compressed air, nitrogen, steam, and ultrapure water within the energy station. In addition, we also integrated our intelligent energy and carbon management platform into our solutions to ensure stable and continuous energy supply throughout the battery manufacturing process.

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2. Project G in Changzhou, Jiangsu Province

In 2023, we commenced the intelligent energy operation and management project under the energy hosting model for Customer I in Changzhou city, Jiangsu Province, with a term of ten years. Customer I is the top-ranked grade A tertiary hospital. Project G involved the upgrade and operation of existing energy systems within the large-scale hospital complex. During the term of the project, we provided the retrofit and operation for key building energy systems of the hospital complex, covering central HVAC systems, lighting systems, domestic hot water systems, steam boiler systems, operating room clean air conditioning systems. In addition, we also integrated our intelligent energy and carbon management platform into our solutions to ensure reliable and continuous energy support for medical and auxiliary hospital functions.

3. Project C in Nanjing, Jiangsu Province

In 2019, we commenced the intelligent energy operation and management project under the energy hosting model for Customer K in Nanjing, Jiangsu Province, with a term of eight years. Customer K is a government agency in Nanjing. We provided customized integrated solutions covering optimization of HVAC systems, lighting system upgrades, power distribution monitoring and control as well as retrofitting of canteen facilities and data center cooling systems. In addition, we also integrated our intelligent energy and carbon management platform into our solutions. The project is expected to enhance the energy efficiency, with an improved overall energy saving rate of 15% as compared to the historical operational data.

Our Project Portfolio

In each year during the Track Record Period, we had 45, 53 and 55 intelligent energy operation and management projects for which we recognized revenue, respectively, with revenue of RMB289.2 million, RMB403.9 million and RMB426.2 million, respectively. The table below sets out details of our major intelligent energy operation and management projects, selected primarily based on the top five projects by revenue recognized in each year of the Track Record Period.

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For the year ended December 31, 2023

Project Name	Business Model	Identity of Customer	Background of Customer	Scope of Work	Commencement Date (Month/Year)	Contract Term Years	Revenue recognized in 2023 RMB '000	Revenue to be Recognized in 2026 RMB '000
Project A in Suining, Sichuan Province	Energy Hosting Model	Customer X	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	Construction of integrated energy stations and operation services	February 2022	10	109,646	⁽ⁱ⁾ –
Project B in Shangrao, Jiangxi Province	Energy Hosting Model	Customer Y	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	Construction of integrated energy stations and operation services	December 2022	10	68,599	146,854
Project C in Nanjing, Jiangsu Province	Energy Hosting Model	Customer K	Government authority in Nanjing	Integrated energy management solutions for public buildings	December 2019	8	18,605	18,601
Project D in Huishan, Jiangsu Province	Energy Hosting Model	Customer L	A hospital in Huishan	Retrofit and O&M solutions covering key hospital energy systems	September 2020	3	9,687	–
Project E in Foshan, Guangdong Province	Energy Hosting Model	Customer M	A PRC company that is principally engaged in the corporate management and related services	Integrated energy management solutions for commercial buildings	January 2022	15	8,244	7,474

Note:

- (i) On December 17, 2025, we entered into an agreement to dispose of Suining Chaojie and as a result, we will not recognize revenue for Project A in 2026. See “History, Development and Corporate Structure – Disposal of Suining Chaojie” for details.

BUSINESS

For the year ended December 31, 2024

Project Name	Business Model	Identity of Customer(s)	Background of Customer(s)	Scope of Work	Commencement Date (Month/Year)	Contract Term Years	Revenue recognized in 2024 RMB'000	Revenue to be Recognized in 2026 RMB'000
Project B in Shangrao, Jiangxi Province	Energy Hosting Model	Customer Y	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	Construction of integrated energy stations and operation services	December 2022	10	168,040	146,854
Project A in Suining, Sichuan Province	Energy Hosting Model	Customer X	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	Construction of integrated energy stations and operation services	February 2022	10	112,540	– ⁽ⁱ⁾
Project C in Nanjing, Jiangsu Province	Energy Hosting Model	Customer K	Government authority in Nanjing	Integrated energy management solutions for public buildings	December 2019	8	18,836	18,601
Project F in Wuxi, Jiangsu Province	Energy Hosting Model	Customer N	A PRC state-owned enterprise principally engaged in the airport operations	Integrated energy management solutions for public buildings	December 2020	10	8,637	8,068
Project E in Foshan, Guangdong Province	Energy Hosting Model	Customer M	A PRC company that is principally engaged in the operation and management of commercial complexes	Integrated energy management solutions for public buildings	January 2022	15	7,702	7,474

Note:

- (i) On December 17, 2025, we entered into an agreement to dispose of Suining Chaojie and as a result, we will not recognize revenue for Project A in 2026. See “History, Development and Corporate Structure – Disposal of Suining Chaojie” for details.

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For the year ended December 31, 2025

Project Name	Business Model	Identity of Customer(s)	Background of Customer(s)	Scope of Work	Commencement Date (Month/Year)	Contract Term Years	Revenue recognized in 2025 RMB '000	Revenue to be Recognized in 2026 RMB '000
Project B in Shangrao, Jiangxi Province	Energy Hosting Model	Customer Y	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	Construction of integrated energy stations and operation services	December 2022	10	143,449	146,854
Project A in Suining, Sichuan Province	Energy Hosting Model	Customer X	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	Construction of integrated energy stations and operation services	February 2022	10	116,649	– ⁽ⁱ⁾
Project G in Changzhou, Jiangsu Province	Energy Hosting Model	Customer I	Hospital in Changzhou	Retrofit and O&M solutions covering key hospital energy systems	April 2023	10	31,508	34,884
Project C in Nanjing, Jiangsu Province	Energy Hosting Model	Customer K	Government authority in Nanjing	Integrated energy management solutions for public buildings	December 2019	8	18,393	18,601
Project H in Beijing	Energy Hosting Model	Customer O	A PRC public research institution that is principally engaged in the engineering and technology research and experimental development	Integrated energy management solutions for public buildings	July 2023	15	9,257	11,089

Note:

- (i) On December 17, 2025, we entered into an agreement to dispose of Suining Chaojie and as a result, we will not recognize revenue for Project A in 2026. See “History, Development and Corporate Structure – Disposal of Suining Chaojie” for details.

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For our intelligent energy operation and management projects, if the recoverable revenue over a project’s entire lifecycle is expected to be insufficient to cover both incurred and perspective costs, we will identify it as a loss-making project after conducting a comprehensive assessment. During the Track Record Period, we identified three intelligent energy operation and management projects as loss-making and therefore we made sufficient impairment provisions. The losses recognized for these projects are immaterial and do not have a material adverse impact on the overall operations, financial performance and profitability of our Group.

Operation and Maintenance Service

In addition to intelligent energy operation and management projects, we provide operation and maintenance services. We offer operation, management, maintenance and repair services for energy systems or equipment of our customers, stations or systems such as chilled water, compressed air and power distribution systems. Moreover, we also offer specialized maintenance services for equipment. We typically charge service fees depending on the scope and nature of the services we provide. In 2023, 2024 and 2025, our revenue derived from operation and maintenance services was RMB4.0 million, RMB7.1 million and RMB12.3 million, respectively, accounting for 0.6%, 1.0% and 1.9% of our revenue for the same years, respectively.

Intelligent Energy Efficiency Solutions

We commenced our intelligent energy efficiency solutions in 2018. Under this business line, we provide intelligent energy efficiency solutions covering project assessment, engineering design, procurement of equipment, raw materials, components and related parts, construction and maintenance tailored to the needs of our customers. We provide intelligent energy efficient solutions for retrofit projects and greenfield projects. We charge our customers for providing equipment and systems and quality engineering services. We successfully completed 94 intelligent energy efficiency projects during the Track Record Period and had 33 ongoing intelligent energy efficiency projects as of December 31, 2025.

Our solutions are tailored based on a variety of project-specific requirements and conditions, including project location, applicable energy efficiency standards, and the capital expenditure and operating expenditure objectives of our customers. For example, during the project assessment and design stage, we conduct in-depth design and comparative screening of technical specifications for the equipment and systems to be utilized and develop customized solution after taking into account of factors including project location, energy consumption (such as operating hours and load intensity), energy pricing (such as peak–valley electricity price differentials), project energy efficiency, project ramp-up schedules, the availability of waste heat and renewable energy resources and the budget. During the procurement stage, we identify and source customized high-performance, low-power equipment and components such as water-cooled chillers, heat pumps, air compressors and boilers, as well as control cabinets and other energy-saving equipment. Depending on the needs of our customers, we make to order suitable equipment to our customers as part of the solution we provide. During the construction stage, we provide project-specific training to our project management teams, suppliers, and subcontractors on technical specifications, construction technologies and approaches to tackle difficult issues in the project. During the inspection and acceptance stage, we inspect all equipment and components, monitor critical quality checkpoints, verify concealed works, and perform extensive testing according to our customers’ specifications. During the maintenance stage, we offer timely after-sales support in response to our customers’ requests throughout the warranty period.

Moreover, for some of our contracts, we also enter into guaranteed energy-saving arrangements with our customers, under which we provide intelligent energy efficiency solutions according to the proposal and guarantee achieving energy conservation. Under such arrangements, a portion of the contract sum (typically representing a certain percentage of the total contract value) is retained as a

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performance guarantee amount and is payable by our customers on a periodic basis over the operation period. Following project completion and acceptance, such guaranteed amount is settled in instalments, subject to the project meeting the agreed energy efficiency performance indicators of the relevant period. In the event that the project falls short of the guaranteed energy conservation for any given year, the customer will not be obligated to pay the corresponding instalment of the retention amount for that year. This arrangement effectively links project revenue to the achievement of guaranteed energy-saving targets, thereby improving overall project quality and reducing price-based competition.

Below are the major terms of our intelligent energy efficiency projects:

Design and construction schedule: Typically 90 to 180 days.

Our obligations and rights: We are responsible for the project’s proposal design, equipment procurement, construction and commissioning in a timely manner. We shall ensure that our staff and engaged personnel strictly comply with the regulations of our customer regarding safety, hygiene and other relevant requirements. We shall provide appropriate training to the operating personnel designated by our customer to enable them to perform their duties.

The obligations and rights of our customers: Our customer is entitled to supervise the design, quality, schedule, safety, acceptance and other aspects of our construction. Our customers shall provide necessary assistance including but not limited to obtaining approvals or licenses, providing necessary information and data and ensuring the project site free from any disputes or defects in title.

Procurement and supplies: We ensure that all procured equipment and materials meet the customer’s quality and performance requirements, and we prioritize the use of proven brands. If the customer has specific requirements regarding the brand, specifications or performance metrics of any equipment or material, we will strictly adhere to those specifications. Upon delivery, the equipment must be verified by the customer or an authorized representative before signing the delivery receipt.

Payment terms: The payment schedule is stipulated in the relevant contracts. We typically require our customers to make an upfront payment representing a portion of the total contract value upon execution of the relevant contract. An installment payment is generally payable upon confirmation of the design plan and commencement of construction. The remaining balance is typically settled upon completion of the intelligent energy efficiency projects and acceptance by our customers.

Quality and Acceptance: Upon completion of project construction and system commissioning, we issue a notice of acceptance. Our customer shall complete the acceptance check together with us after receiving the notice.

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Warranty and Maintenance:

We typically offer a warranty period of one to three years after acceptance by our customers. We are responsible for all defects and damage caused by us. We also provide repair services at the expenses of our customers for defects and damage caused by other reasons at our customers’ request.

Project Lifecycle

The following illustrates the typical lifecycle of our intelligent energy efficiency projects:

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7
Project Assessment	Tender Process/ Business Negotiation	Refined Design	Procurement	Construction	Inspection and Acceptance	Maintenance

1. *Project assessment:* In early stages of commercial discussions, we analyze the information provided by our customers, including their background and current business condition, the potential for energy savings of the project, risk assessment, compatibility between the project budget or bid limit and the pricing strategy of our solutions, the feasibility of the project’s technical requirements and delivery time, and the possibilities in winning the project. We calculate energy usage requirements and system efficiency and identify preliminary optimization levers in energy usage systems and resource circularity. During this stage, we conduct initial consultations with customers to align objectives, scope of work and indicative timelines.
2. *Tender process/Business negotiation:* Before committing resources to a bid, we assess tender documents and our bidding intention. We conduct on-site surveys to confirm whether the project site conditions are consistent with the tender information, understand the surrounding environment of the project site and construction conditions, conduct technical measurements, check the difficulties and key points of the engineering designs and the implementation process, formulate a preliminary construction organization plan, and understand logistics support conditions. Based on our findings, we confirm the technical specifications required under the tender and develop early cost and pricing estimation, taking into account equipment selection, logistics, construction constraints and specific requirements of the customers. We forecast likely bidding outcomes based on competitive dynamics and evaluation weightings and engage in structured communications and commercial negotiations with customers to clarify technical requirements and contractual terms. We track bidding results and, where successful, complete the contract finalization and signing process.
3. *Refined design:* After signing a contract, we carry out in-depth design activities. Our design proposals include refined project drawings, technical parameter selection, equipment selection tailored to performance, reliability and lifecycle cost objectives. We develop the system configuration covering HVAC system, boiler system, air compression system, intelligent and infrastructure power environment monitoring system, power supply and distribution system, and specific production-related energy systems. We prepare integrated service plans and construction organization schemes based on the requirements and specification of our customers and provide recommendations on optimizing construction efficiency, costs and quality.
4. *Procurement:* Following design confirmation, we select equipment, components and materials suppliers according to our standard supplier selection procedures based on product quality, price, delivery timeliness, payment terms, as well as the supplier’s qualifications, operational

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status, and credit rating. We execute procurement contracts. We track equipment and component deliveries, coordinate logistics and site storage, and administer supplier payments in accordance with contractual milestones. We manage technical interfaces with and provide technical support to equipment and components manufacturers.

5. *Construction:* Our project site management team generally includes project manager, project technical head, safety officer, and other technical personnel. We instruct our project site management team, suppliers and subcontractors regarding the technical requirements of construction, new technologies and processes to be used in the project, and specific construction plans for key or difficult areas. We manage progress milestones, enforce safety measures and site discipline and implement quality control procedures such as daily quality inspection, regular quality check, specialized quality inspection and weekly engineering management report. We control costs through our project management rules and procedures and technical optimization. All relevant information is properly recorded with necessary documentation, including agreements, construction commencement approvals, technical documents, quality inspection reports and construction test and commissioning reports. We coordinate and manage on-site activities, including participating in the communications among project owners, contractors and project supervision and monitoring consultants, hold regular meetings, and coordinate the various workstreams of different constructing parties. Subcontractors are engaged in the installation of the equipment and components, while our technical and supervising personnel are responsible for debugging the energy management systems.
6. *Inspection and acceptance:* We inspect incoming equipment and components, check key quality control points, inspect and accept concealed works before they are covered, conduct unit, system and integrated tests, and complete comprehensive acceptance. Our acceptance process includes: (i) self-inspection to ensure that each process is qualified; (ii) acceptance of individual parts and items; (iii) special acceptance to ensure the quality of key engineering equipment; and (iv) completion acceptance which is the comprehensive inspection and evaluation of the project.
7. *Maintenance:* We provide after-sales services during the warranty period, such as rectification of construction defects, repair and maintenance of equipment and installed components, replacement of wear parts (excluding human-induced damage), on-site technical support, troubleshooting of quality issues, routine inspection and maintenance. Currently, as such after-sales services are included as part of our warranty, we do not impose any additional charges on our customers, except where we provide repair services for defects and damages not caused by us at our customers’ request, in which circumstances they will bear the costs and pay us a reasonable fees for such service.

Our Projects

The following table sets forth the movement of our intelligent energy efficiency projects for the years indicated:

	As of/Year ended December 31,		
	2023	2024	2025
At the beginning of the year ⁽ⁱ⁾	13	22	32
Addition of new projects	36	35	43
Completion of projects.	27	25	42
At the end of the year ⁽ⁱ⁾	22	32	33

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Note:

- (i) The number of intelligent energy efficiency projects at the beginning/end of the year includes only ongoing projects.

Our Featured Projects

1. Project R in Nantong, Jiangsu Province

In 2023, we commenced the intelligent energy efficiency project for Customer H in Nantong city, Jiangsu Province. Project R involved the development of a centralized high-efficiency cooling plant designed to support production facilities, with a total cooling capacity of 45,000 tons of refrigeration. Our integrated solution covers the design, procurement, installation and testing of high-efficiency cooling systems comprising chilled water systems of low temperature between 6°C to 13°C, medium-temperature chilled water systems of medium temperature between 12°C to 19°C and heat recovery hot water systems to achieve stable and efficient cooling supply for large-scale industrial production.

2. Project T in Xiamen, Fujian Province

In 2023, we commenced the intelligent energy efficiency project for Customer J in Xiamen city, Fujian Province. Project T involved the development and construction of an electric thermal storage system and a high-efficiency chiller plant system for a commercial complex. Our integrated solution covers the design, procurement and construction of the electric thermal storage system and the high-efficiency cooling plant system, including system optimization and design, equipment selection, installation and commissioning, enabling the cooling system to achieve the targeted annual comprehensive coefficient of performance (COP) under specified load conditions.

3. Project I in Yangzhou, Jiangsu Province

In 2023, we commenced a high-efficiency cooling plant project for Customer B in Yangzhou city, Jiangsu Province. Customer B operated a large photovoltaic manufacturing base in Yangzhou. The project involved the sales of equipment and construction of high-efficiency cooling plant system. Our integrated solution covered design, procurement, construction and after-sales services of the cooling plant system. Leveraging the intelligent control and coordination technologies, we enhanced the operational efficiency and stability of the cooling systems, ensuring reliable and continuous cooling supply for the high-efficiency battery and module production lines.

Our Project Portfolio

In each year during the Track Record Period, we had 34, 26 and 52 intelligent energy efficiency projects for which we recognized revenue, respectively, with revenue of RMB347.8 million, RMB323.0 million and RMB193.0 million, respectively. The table below sets out details of our major intelligent energy efficiency projects, selected primarily based on the top five projects by revenue recognized in each year of the Track Record Period.

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For the year ended December 31, 2023

Project Name	Identity of Customer(s)	Background of Customer	Scope of Work	Commencement Date	Actual Completion Date ⁽ⁱ⁾	Original Contract Value	Revenue Recognized in 2023
Project I in Yangzhou, Jiangsu Province	Customer B	A state electricity corporation at city level that is primarily engaged in the generation and supply of electricity	Provision of refrigeration equipment solution	May 2023	April 2024	RMB'000 199,161	RMB'000 89,325
Project L in Yangzhou, Jiangsu Province	Customer P	A PRC company that is principally engaged in the manufacturing of photovoltaic equipment and components	Provision of refrigeration equipment solution	July 2023	September 2023	68,000	58,973
Project M in Huzhou, Zhejiang Province	Customer D	A PRC company that is principally engaged in energy-saving technology services	Integrated solution for construction of high-efficiency energy station	September 2022	December 2023	57,915	41,516
Project N in Changzhou, Jiangsu Province	Customer Q	A PRC company that is principally engaged in the manufacturing of new energy vehicle electrical accessories	Provision of refrigeration equipment solution	November 2022	April 2023	51,158	29,635
Project O in Huzhou, Zhejiang Province	Customer D	A PRC company that is principally engaged in energy-saving technology services	Integrated solution for construction of high-efficiency energy station	September 2022	December 2023	119,005	29,252

Note:

(i) As of December 31, 2025, all our top five projects by revenue recognized in 2023 had been completed and therefore, there will no revenue to be recognized in 2026.

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For the year ended December 31, 2024

Project Name	Identity of Customer(s)	Background of Customer	Scope of Work	Commencement Date	Actual Completion Date ⁽ⁱ⁾	Original Contract Value	Revenue Recognized in 2024
Project I in Yangzhou, Jiangsu Province	Customer B	A state electricity corporation at city level that is primarily engaged in the generation and supply of electricity	Provision of refrigeration equipment solution	May 2023	April 2024	RMB '000 199,161	RMB '000 81,398
Project P in Shaoxing, Zhejiang Province	Customer F	A PRC company that is principally engaged in the technology promotion services	Integrated solution for construction of high-efficiency energy station	August 2023	January 2024	66,616	58,475
Project Q in Shenzhen, Guangdong Province	Customer G	A PRC state-owned enterprise that is principally engaged in providing technology promotion services	Provision of refrigeration equipment solution	May 2023	September 2024	45,150	40,658
Project R in Nantong, Jiangsu Province	Customer H	A PRC company that is principally engaged in the manufacturing of solar cells	Integrated solution for construction of high-efficiency energy station	April 2023	July 2024	36,167	32,006
Project S in Yangzhou, Jiangsu Province	Customer B	A state electricity corporation at city level that is primarily engaged in the generation and supply of electricity	Provision of refrigeration equipment solutions	September 2023	June 2024	30,619	27,147

Note:

(i) As of December 31, 2025, all our top five projects by revenue recognized in 2024 had been completed and therefore, there will no revenue to be recognized in 2026.

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For the year ended December 31, 2025

Project Name	Identity of Customer(s)	Background of Customer	Scope of Work	Commencement Date	Actual Completion Date ⁽ⁱ⁾	Original Contract Value	Revenue Recognized in 2025
Project T in Xiamen, Fujian Province	Customer J	A PRC company that is principally engaged in the real estate industry	Integrated solution for construction of high-efficiency energy station	April 2024	December 2025	RMB'000 26,972	RMB'000 22,910
Project U in Suqian, Jiangsu Province	Customer R	A PRC company that is principally engaged in the manufacturing of photovoltaic equipment and components	Provision of refrigeration equipment solution	January 2023	December 2025	55,280	22,009
Project V in Chengdu, Sichuan Province	Customer S	A PRC company that is principally engaged in the real estate development and operation	Integrated solution for construction of high-efficiency energy station	November 2020	January 2025	13,720	12,354
Project W in Yangzhou, Jiangsu Province	Customer T	A PRC state-owned enterprise that is principally engaged in the industrial park management services	Integrated solution for construction of high-efficiency energy stations	February 2021	January 2025	39,560	11,712
Project X in Xi'an, Shaanxi Province	Customer U	A state-controlled enterprise that is principally engaged in the smart technology R&D and systems integration services	Integrated solution for construction of high-efficiency energy station	January 2025	December 2025	13,431	11,667

Note:

(i) As of December 31, 2025, all our top five projects by revenue recognized in 2025 had been completed and therefore, there will no revenue to be recognized in 2026.

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We consider an intelligent energy efficiency project to be loss-making when the cost of services we provide to the project exceeds the revenue we recognize and after comprehensive evaluation. During the Track Record Period, we did not record any loss-making intelligent energy efficiency projects.

OUR PRODUCTS AND PLATFORM

For some of our projects, we deployed in-house developed energy-saving products and platform primarily comprising evaporative cooling products, GLJC-AI Box and intelligent energy and carbon management platform, which are integrated into our solutions to achieve optimal utilization of hardware and software and thus enhancing energy efficiency. The table below sets forth our core products and systems integrated into our intelligent energy operation and management projects:

Evaporative Cooling Products

Our evaporative cooling products utilize evaporative cooling and advanced compressor technologies to deliver efficient cooling performance. These products incorporate key components including evaporative condensers with falling-film water distribution, variable-frequency oil-free centrifugal compressors and integrated water distribution and monitoring systems, to form a compact and efficient cooling system. With evaporative cooling technology for condensation and lowering condensing temperature and pressure, our evaporative cooling products improve compressor efficiency and enhance overall energy performance compared with conventional air-cooled and water-cooled products.

Product Picture	Product Name	Parameters	Functions	Application
	GLHV/S Series – Modular Evaporative-Cooled Packaged Chiller (Heat Pump Unit) GLHV/S系列 – 蒸發冷高效模塊式集中冷站／熱泵	- COP: 5.02-5.2 - Cooling capacity: 89.1kW–178.2kW	- Centralized chilled water supply for HVAC systems - Evaporative cooling technology that improve system energy efficiency - Modular configuration that support flexible capacity expansion and simplified installation	- Industrial manufacturing plants - Commercial buildings - Data centers - Photovoltaic and new energy plants
	GLHA Series – Evaporative-Cooled Variable-Speed Oil-Free Centrifugal Packaged Chiller GLHA系列 – 氣懸浮蒸發冷高效集中冷站	- COP: 5.6–8.95 - Cooling capacity: 457kW–1,512kW	- High-efficiency chilled water generation with reduced mechanical losses - Oil-free compressor design with lower maintenance requirements and enhanced reliability - Compact integrated system design, enabling a smaller footprint and easier installation	- Industrial manufacturing plants - Commercial buildings - Data centers - Photovoltaic and new energy plants
	GLHP Series – Oil-Free Centrifugal Evaporative-Cooled Direct-Expansion Cabinet Unit GLHP系列 – 蒸發冷變頻櫃式空調一體機	- COP: 5.0–6.0 - Annual max SCOP: 6.0 - Cooling capacity: 50kW–200kW (customizable)	- Support direct expansion cooling eliminating the need for a chilled water system - Oil-free compressor design with lower maintenance requirements and enhanced reliability	- Industrial manufacturing plants - Commercial buildings - Photovoltaic and new energy plants

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Product Picture	Product Name	Parameters	Functions	Application
	GLCU Series – Oil-Free Centrifugal Evaporative-Cooled Phase-Change Free-Cooling System GLCU系列 – 蒸發冷相變自然冷卻系統	• SCOP: 10 (max) • Cooling capacity: Outdoor unit: 150kW-300kW Indoor unit: 31.7kW-202kW	• Support both mechanical cooling and natural cooling modes • Automatically optimize cooling performance based on ambient conditions • Enable energy-efficient year-round cooling	• Data centers
	GLHC Series – Evaporative-Cooled Refrigerant Pump Integrated Phase-Change System GLHC系列 – 無油離心氣泵一體相變冷卻組	• SCOP: 7.5–10 • Cooling capacity: 260kW–500kW	• Cooling through refrigerant phase-change circulation • Feature improved system efficiency with reduced system complexity • Feature simple installation and maintenance	• Data centers

Our GLJC-AIBox is an AI-enabled optimization control solution primarily applied in chiller plants and other cooling systems. With advanced control strategies, data analytics and artificial intelligence algorithms, GLJC-AIBox coordinates the operation of key equipment including water-cooled chillers, chilled water pumps, cooling water pumps and cooling towers within the chiller plant. By connecting with the existing programmable logic controller or building automation system, GLJC-AIBox enables real-time data analysis, load prediction and adjusts operating parameters across the various equipment and systems, through which the chiller plant is able to operate under optimal efficiency conditions with safe and stable system performance.

GLJC-AIBox

Product Picture	Product Name	Parameters	Functions	Application
	GLJC-AIBox 綠冷魔盒	• Comprehensive energy-saving rate: 10%–30% under typical operating conditions • High-performance multi-core processors (e.g. Intel: i5 or above) • Large-capacity memory (up to 64GB)	• Load forecasting and energy efficiency optimization for chiller plants based on AI and model-based analysis • Compatible with mainstream protocols for chiller plant equipment access and control • Support edge computing and real-time local control • Enables coordinated control of water-cooled chillers, pumps and cooling towers • Automated generation and dynamic adjustment of operating strategies for chiller plants	• Industrial manufacturing plants • Commercial buildings • Data centers • Industrial parks and energy stations

Intelligent Energy and Carbon Management Platform

Our intelligent energy and carbon management platform is an integrated digital solution for our customers enabling unified management of energy consumption and carbon emissions through multi-system integration and optimization, thereby reducing energy costs, lowering carbon emissions and improving operational efficiency of our customers. The platform comprises various systems, which primarily are facility monitoring and control system (FMCS), building automation system (BAS), energy

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metering and energy efficiency management system (EMEEMS), indoor environmental monitoring and management system (IEMMS), new energy management system (NEMS), carbon management system (CMS) and facility operation and management system (FOMS).

Intelligent energy and carbon management platform

	Key features
Facility Monitoring and Control System (FMCS) (廠務設施管控系統)	- Integration and unified monitoring of multi-facility systems - Automated control and operational optimization of facility equipment - Real-time data acquiring and status monitoring - Fault alarming and maintenance management - Historical data analysis and operation traceability
Building Automation System (BAS) (樓宇自動化系統)	- Centralized monitoring of building electromechanical systems (e.g. HVAC and lighting) - Automated control strategies for energy-efficient operation - Zonal management and indoor comfort control - Visualization of operational data
Energy Metering and Energy Efficiency Management System (EMEEMS) (能源計量與能效管理系統)	- Monitoring of power distribution systems and electricity safety management - Metering and data acquiring for multiple energy sources (e.g. electricity, water and gas) - Energy consumption analysis and energy cost management - Electricity quality monitoring and anomaly alerting
Indoor Environmental Monitoring and Management System (IEMMS) (室內環境監測與管理系統)	- Real-time monitoring of indoor environmental parameters, including temperature, humidity, CO₂ and particulate matter - Environmental quality assessment and early warning - Centralized management of multi-zone environmental data - Integration of terminal systems with cooling and heating sources for coordinated control - Historical data analysis and trend forecast

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Intelligent energy and carbon management platform

New Energy Management System (NEMS)
(新能源管理系統)

Key features

- Monitoring and management of distributed energy resources, including PV, energy storage and charging
- Real-time analysis of power generation and consumption
- Energy storage dispatch and optimization control
- Multi-energy coordination and efficiency optimization
- Green energy management

Carbon Management System (CMS)
(碳管理系統)

- Collection of carbon emissions data and integration of data from multiple channels
- Carbon emissions calculation and emissions factor management
- Analysis and visualization of carbon emissions data

Facility Operation and Management System (FOMS)
(運維管理系統)

- Monitoring of equipment operating status and alert management
- Work order management and end-to-end process tracking
- Equipment registry and lifecycle management
- Inspection management and maintenance planning
- Fault diagnosis and maintenance process management
- O&M data analysis and performance evaluation

SUBCONTRACTING

During the Track Record Period, we engaged more than 40 subcontractors to carry out certain engineering and construction works under our intelligent energy operation and management projects and our intelligent energy efficiency projects, allowing us to focus our time and resources on our energy management business. Such construction work mainly includes electromechanical equipment installation, piping system installation, as well as electrical and automation system installation. We only play a supervisory role on such matter, which we believe allows us to focus on our principal businesses and to better manage our engineering costs.

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Key Terms of Our Subcontracting Agreements

The key arrangements under our subcontracting agreements are set out below.

<i>Term:</i>	The contract construction period is stipulated in the relevant subcontracting agreement.
<i>Performance standards:</i>	The performance of the subcontractor must also meet the project owner’s acceptance standards and applicable laws and regulations.
<i>Our rights and obligations:</i>	We are responsible for making project payments in accordance with the contract, coordinating the provision of water and electricity required for construction at the site, arranging drawing review meetings and design briefings, and coordinating the protection of underground pipelines and adjacent buildings and structures surrounding the construction site.
<i>Rights and obligations of subcontractors:</i>	Subcontractors are responsible for all construction work as specified in the subcontracting agreements. In addition, they are responsible for the salaries and miscellaneous fees for their personnel and construction workers. The subcontractors must deploy qualified workers, comply with the laws, codes, designs and approved schedules, and ensure quality, safety, and environmental compliance while accepting our supervision and instructions. The subcontractors bear responsibility for defects, rework, delays, and accidents caused by them.
<i>Procurement of raw materials:</i>	The subcontractor is responsible for the procurement of equipment and raw materials and is accountable for their quality.
<i>Price:</i>	Typically, a lump sum price is specified in the subcontracting agreement, which is determined based on the agreement between our Company and our subcontractors. The lump sum price includes, but is not limited to, the equipment and the construction. The price already includes all costs required to complete the work stipulated in the contract and will not be adjusted due to fluctuations in labor, material, or other market prices. In certain circumstances, we may conduct cost review. If the reviewed amount is lower than the agreed lump sum price, the final settlement will be based on the reviewed amount. If the reviewed amount exceeds the agreed lump sum price, the final settlement will remain based on the agreed lump sum price.
<i>Payment term:</i>	The payment schedule is stipulated in the relevant contracts. Our subcontractors generally requires us to make an upfront payment representing a portion of the total contract value upon execution of the relevant contract. Progress payments are made on a monthly basis based on the verified value of work completed. The remaining balance will be paid upon completion of subcontracting works and acceptance by us. In some cases, a retention amount of 5% of the total contract sum, is withheld as a quality guarantee and is typically released without interest after the expiry of the defect liability period.

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Termination and renewal: Our subcontracting agreements may be terminated unilaterally by us in the event that the subcontractor is unable to perform its obligations or commits a material breach of the contract.

No subcontracting or transfer: Subcontractors should not subcontract or transfer their work under the subcontracting agreements to any other party.

Selection of Subcontractors

To ensure and maintain the quality of service provided by our subcontractors, we have established internal rules and procedures to monitor our selection of, cooperation with and inspections of the subcontractors, which are the same as selecting suppliers. We have developed our own procurement management procedures and guidelines and engage our subcontractors in accordance with standardized procedures. When selecting subcontractors, we consider factors including the subcontractors’ professional qualifications, industry experience, capability and project compatibility, financial condition, social integrity and after-sales service. See “— Supply Chain Management — Supplier Selection and Procurement Control”.

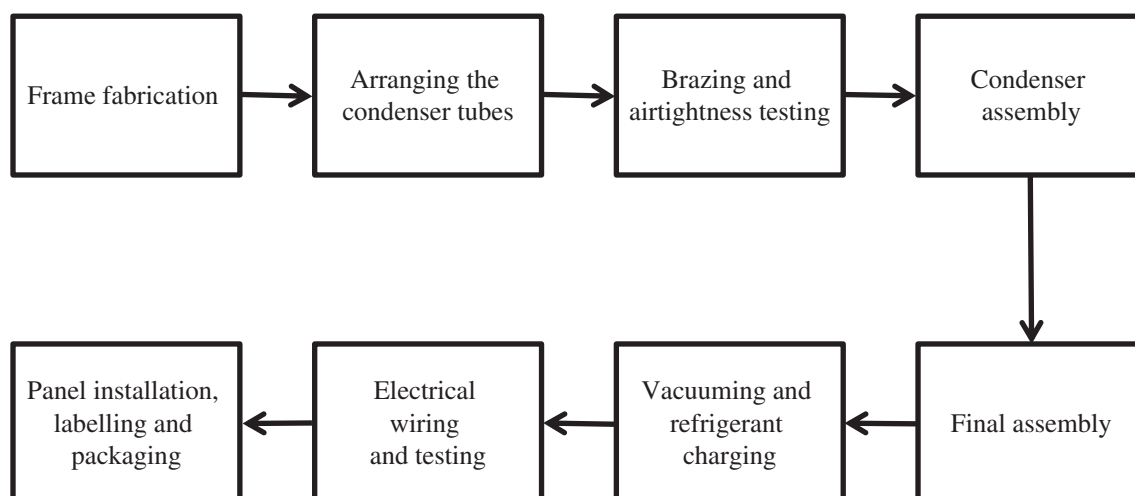
MANUFACTURING

Our Production Facilities

As of December 31, 2025, we operated one production facility in Wuxi, Jiangsu Province, which is under lease with a total gross floor area of approximately 4,646 sq.m. Our Wuxi production base is primarily for the production and assembly of our evaporative cooling products. As of December 31, 2025, our Wuxi production base was still in production ramp-up stage.

Production Process

The following chart illustrates the production process of evaporative cooling products:



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The manufacturing process of our evaporative cooling products primarily comprises the following stages:

- **Frame fabrication.** Raw materials, including square tubes and structural components, are processed through cutting, bending and frame fabrication to produce condenser tubes and supporting structures in accordance with design specifications.
- **Arranging the condenser tubes.** Processed tubes are arranged and assembled into condenser cores, followed by brazing to ensure structural integrity and thermal performance.
- **Brazing and airtightness testing.** The assembled condenser cores undergo brazing to connect tubes and headers, followed by airtightness (leak) testing to verify sealing performance and ensure product reliability.
- **Condenser assembly.** Key components, including water trays and headers, are assembled and welded, and then integrated with the condenser cores to form the main structure of the unit.
- **Final assembly.** The condenser unit is further assembled with structural bases and related components to complete the overall assembly.
- **Vacuuming and refrigerant charging.** The assembled unit undergoes vacuuming and refrigerant charging using specialized equipment to prepare it for operation.
- **Electrical wiring and testing.** Electrical wiring is completed and online testing is conducted to ensure proper functionality and operational safety.
- **Panel installation, labelling and packaging.** Finished products are inspected in accordance with quality standards. Upon passing inspection, panel installation, labelling and packaging are completed prior to delivery.

Production equipment and maintenance

Our digitalized and energy-efficient production equipment and machinery are essential to enhancing product quality, production efficiency and cost competitiveness. We collaborate closely with other equipment manufacturers to conduct pilot production trials and drive continuous technological innovation. The principal equipment and machinery used in our manufacturing process mainly comprise material-processing equipment, such as cutting, bending and frame-fabrication equipment, core-assembly equipment, welding, sealing and leak-testing equipment, vacuuming and refrigerant-charging equipment, and electrical wiring and online testing equipment, which are primarily used in the manufacture and assembly of our self-developed core evaporative cooling products. Our major production equipment and machinery are deployed as part of a highly automated and digitalized production setup, which helps reduce manual operations, improve production precision and strengthen quality control throughout the manufacturing process. In addition, through bespoke design and customization, we integrate digital technologies into key production stages, including material processing, assembly, testing and delivery, thereby improving coordination across different production procedures.

We maintain comprehensive equipment repair and maintenance protocols for our production equipment and implement strict routine and periodic inspection schedules. For certain specialized equipment, suppliers also conduct regular maintenance and safety inspections throughout the relevant service life. We also assess replacement and upgrade needs with reference to operating condition, maintenance records, utilization intensity and technology requirements. The average service life of our core production equipment is ten years. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged suspension of operations due to failures of our machinery, equipment or other facilities.

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RESEARCH AND DEVELOPMENT

We are committed to advancing technology and developing new products or services. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses amounted to RMB10.9 million, RMB9.9 million and RMB10.9 million, representing 1.7%, 1.3% and 1.7% of our total revenue, respectively. We plan to maintain high levels of investment to ensure continuous innovation and enhance our core competitiveness. We collaborate with academic institutions such as Jiangsu University of Science and Technology (江蘇科技大學) and the Technical Institute of Physics and Chemistry, Chinese Academy of Sciences (中國科學院理化技術研究所), to jointly develop core technologies that address key industry challenges. As of December 31, 2025, we held 19 invention patents, 45 utility model patents, 48 software copyrights, 10 trademarks, one domain name and one copyright in China and one trademark in Hong Kong. Furthermore, we actively shape industry standards by participating in the drafting of national, industry, and organizational standards and technical specifications, including Technical Specification for National Integrated High-Efficiency Centralized Cooling Stations* (國家一體式高效集成冷站技術規程), the Tianjin carbon-neutral building evaluation standard* (天津市碳中和建築評定標準) and the Technical Standard For Energy-Saving And Carbon-Reduction Retrofit Of Existing Hospital Buildings* (既有醫院建築節能降碳改造技術標準).

Our standard R&D process typically includes steps covering requirements analysis, system design, software development, software testing, software deployment and closure.

We in-house develop both software and integrated hardware-software products. Software development focuses on platform functionality and system performance optimization, while integrated hardware-software development focuses on control strategies, equipment integration and on-site adaptability. Through integrated design and testing, we ensure reliable and deliverable R&D outputs.

- During the requirements analysis stage, our R&D department takes the lead and works closely with other departments to review project requirements and assess feasibility, taking into account our business strategy, market demand and technological developments. For software development, we focus on functional and performance requirements while for hardware and software integration, we emphasize equipment selection, interface specifications and deployment environments. With such analysis, we define scope and objectives of our R&D project.
- During the system design stage, we develop technical solutions and system architecture based on the approved criteria, including key technical approaches, functional modules and implementation plans.
- During the development stage, we carry out research and development and perform version management in accordance with the project plan. We also perform periodic reviews to ensure quality. For software projects, we focus on functionality and performance, while for hardware-software integration, we also cover control strategy development, interface integration and coordination across equipment.
- During the testing and validation stage, we test the system for functionality, performance and stability to ensure it meets delivery requirements. For integrated hardware-software projects, we test equipment communication and system integration.
- During the closure stage, we conduct post-project reviews and make proper documentation to ensure that it is duly compiled and archived.

As of December 31, 2025, our in-house R&D team consisted of 38 members. Our R&D team comprises two sub-divisions, namely sub-division for digital and intelligent products, and sub-division for cooling equipment products.

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The sub-division for digital and intelligent products comprises (i) an energy management platform development group, primarily comprising software engineers and responsible for the development of core platform and systems, such as the intelligent energy and carbon management platform and (ii) an automation product development and delivery group, primarily comprising automation engineers, responsible for hardware development, system integration, engineering implementation and project delivery of our automation products. These two groups focus on different technical areas and work in close coordination with software and hardware to support the implementation and optimization of our intelligent energy operation and management solutions and intelligent energy efficiency solutions. Our sub-division for cooling equipment products covers key functions of product production including structural design, electrical development, electronic control technologies, testing and automation.

Our R&D team features a streamlined structure encompassing structural development, electrical development, electronic control development and testing and automation. Our R&D professionals bring diverse industry expertise from their respective prior professional fields such as energy management, HVAC, automation as well as software and data analysis. We generally enter into confidentiality agreements with our R&D personnel and establish data access protocols with designated approval processes to ensure data security. We closely monitor regulatory development and enhance our security infrastructure through continuously investment to ensure the protection of our intellectual property and data information.

Key Technologies

Through continuous research and technical breakthroughs, we have addressed complex challenges in project construction and operations, contributing significantly to technological progress in the industry. After years of continuous R&D investment, our key technologies are listed below:

Key Technologies	Achievements
Multivariable coupled Model Predictive Control (MPC) technology	This technology enabled coordinated and optimized control of chillers, chilled water pumps, cooling water pumps and cooling towers. In typical application scenarios, it can reduce the overall system energy consumption by approximately 10%-30%. This technology was in the patent application of “High-efficiency Chiller Plant AI Control Cabinet”(高效機房AI控制箱).
Energy load forecasting and intelligent scheduling algorithms	We developed load forecasting model based on historical operational data and meteorological data, which can achieve load forecasting accuracy of 90% or above under typical operating conditions. This model was in the patented technology of “High-efficiency Energy-saving Evaporative-Cooled Integrated Control System Based on Energy Load Forecasting”(基於用能負荷預測的高效節能蒸發冷一體化控制系統). We applied MPC technology and energy load forecasting and intelligent scheduling algorithms in our GLJC-AIBox. Under typical operating conditions, its system can achieve a load forecasting accuracy of $\geq 90\%$. Based on the forecast results, combined with intelligent optimization algorithms and multi-device coordinated control mechanisms, the overall system energy consumption can be effectively reduced. In typical application scenarios, this can improve the overall operational energy efficiency of the system by approximately 10-30%.

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Key Technologies	Achievements
Intelligent energy and carbon management platform technology	We developed an integrated energy and carbon management platform that enables energy monitoring, energy efficiency analysis and carbon emission accounting. This technology was in the patent application of the “Factory Energy Consumption Management Method Based on Data Analysis”(基於數據分析的工廠能源消耗管理方法).
Industrial energy IoT and facility monitoring technology	We developed a unified monitoring system with multi-protocol device integration, enabling equipment monitoring, fault detection and remote operation and maintenance. This technology was in the patent application of “IoT-enabled Multi-dimensional Intelligent Facility Monitoring System”(基於物聯網技術的多維度智能廠務監控系統).
High-efficiency chiller plant and evaporative cooling system energy-saving technology	These technologies focus on evaporative cooling, waste heat recovery and high-efficiency chiller plant. With these technologies, we developed a number of patented energy-saving equipment and system designs, including those covered by the patent applications of “An Evaporative Cooler Structure”(一種蒸發冷卻器結構) and “An Evaporative-Cooling Device”(一種蒸發冷卻裝置), thereby enhancing overall energy utilization efficiency.
Intelligent operation and maintenance and equipment operation diagnostics technology	This technology focuses on data analytics and cloud platform to enable remote equipment diagnostics and operation and maintenance management. With this technology, we further refined our design for evaporative cooling equipment. This technology was in the patent application of “A Cloud Computing-Based Remote Diagnostic System for Evaporative Cooling Equipment”(一種基於雲計算的蒸發冷卻設備遠程診斷系統).

MARKETING AND SALES

With the advantages of our advanced products and technology and efficient design, established track record and the relationships we have built with existing customers, we established ourself as a qualified solution provider by our customers. We acquire some of our new energy management projects by invitation bidding. Our Directors consider that our established track record of reliable solution providers to our existing customers places us in an advantageous position when competing for tenders. We also rely on direct commercial negotiations with potential customers or referrals from existing customers to obtain new projects.

In addition, we use various channels to promote brand awareness and reach potential customers, including online advertising and participation in forums, exhibitions and offline publicity events. For example, we participated in 2025 Zhejiang Province Hotel and University Low-Carbon Technology Exchange Conference organized by Zhejiang Energy Research Association and 2024 Industrial Energy Saving and Carbon Reduction Technology Forum organized by China Energy Conservation Association Energy Conservation Service Industry Committee. As of December 31, 2025, we had a sales and marketing team of 44 personnel, focusing on liaising with existing customers, approaching prospective customers, managing our brand image and developing marketing strategies.

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CUSTOMERS

Our Customers

During the Track Record Period, our customers were primarily industrial enterprises, construction and engineering companies, commercial and public building operators, energy and utility companies as well as governments and state-owned entities.

Pricing

We formulate our sales pricing strategy with reference to market conditions, the sustainability of customer relationship, industry competition, supply and demand dynamics, and our profit projections. The pricing structure of our integrated energy management solutions primarily comprises the pricing of equipment and technical services. We generally price our solutions by taking into consideration various factors, including, among others: (i) fixed and variable costs, after taking into account of price volatility arising from supply and demand conditions for equipment and materials and rising labor costs; (ii) market price trends and analysis on our competitors’ pricing, as well as our customers’ price sensitivity; (iii) anticipated costs and benefits associated with the advancement and adoption of new technologies and products in the industry; and (iv) region-specific considerations.

We do not consider ourselves to be heavily exposed to credit risks and payment collection risks from our customers. Our standard practice is to regularly request payment from our customers, while providing them with credit terms up to 90 days. This credit period granted is subject to various factors, including the customer’s background, reputation within the industry, payment history, creditworthiness and the duration of our business relationship with our customers.

During the Track Record Period, some of our intelligent energy operation and management projects and intelligent energy efficiency projects were secured by tender or quotations. The table below sets forth the number of projects for which we have submitted a tender, the number of such contracts we have ultimately been awarded and our bidding success rate during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Number of projects for which we submitted a tender	42	57	63
Number of projects awarded	16	17	21
Bidding success rate (%) ⁽ⁱ⁾	38.1%	29.8%	33.3%

Note:

- (i) The success rate for a year is calculated based on the number of projects awarded divided by the total number of tenders submitted in same year.

After-sales

We value customer experience and are dedicated to offering attentive customer service to our customers. We employ a comprehensive after-sales policy and our sales personnel are committed to ensuring that our customers receive prompt and effective assistance. In the event of product quality issues, we provide repair or replacement services. In the event of issues relating to our operational services, we carry out remedial services in accordance with the relevant contractual requirements. During the Track Record Period, we have not received any material complaints or product returns from our customers. We believe that we have provided satisfying products and customer services to our customers.

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Customer Service

We believe that the quality and timeliness of customer service are key competitive factors, as they are significant elements in overall customer satisfaction. If any issues occur with the energy management solutions we offer, our customers can contact the corresponding person in the relevant department. We adhere to the after-sales service terms set out in our agreements with our customers, including guaranteed response time, on-site arrival time, and troubleshooting milestones. We also collaborate with our upstream suppliers to provide customers with after-sales support.

Major Customers

Revenue from our five largest customers in each year during the Track Record Period accounted for 71.9%, 72.2% and 56.0% of our total revenue for the respective year. Revenue from our largest customer in each year during the Track Record Period accounted for 28.4%, 38.6% and 41.0% of our total revenue for the respective year.

The tables below set out the basic information of our top five customers during the Track Record Period.

For the year ended December 31, 2023

Customer	Product sold/service provided by us	Customer background	Revenue (RMB'000)	% of total revenue	Credit Term	Year of commencing business relationship
Customer A	Construction of integrated energy stations and operation services	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	182,113	28.4	up to 40 days	2021
Customer B	Provision of intelligent energy efficiency solutions	A state electricity corporation at city level that is primarily engaged in the generation and supply of electricity	89,325	13.9	nil	2021
Customer C	Provision of refrigeration equipment solutions	A PRC company that is principally engaged in the manufacture of photovoltaic equipment and components	85,926	13.4	15 business days	2022
Customer D	Integrated solution for construction of energy stations	A PRC company that is principally engaged in energy-saving technology services	74,738	11.6	up to 10 business days	2022
Customer E	Provision of refrigeration equipment solutions	A PRC company that is principally engaged in the manufacture of industrial automatic control system devices	29,821	4.6	up to 30 business days	2021
Total			461,923	71.9		

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For the year ended December 31, 2024

Customer	Product sold/service provided by us	Customer background	Revenue	% of total revenue	Credit Term	Year of commencing business relationship
			(RMB'000)			
Customer A	Construction of integrated energy stations and operation services	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	284,814	38.6	up to 40 days	2021
Customer B	Provision of intelligent energy efficiency solutions	A state electricity corporation at city level that is primarily engaged in the generation and supply of electricity	117,336	15.9	nil	2021
Customer F	Integrated solution for construction of high-efficiency energy stations	A PRC company that is principally engaged in the manufacturing of solar photovoltaic products	58,475	7.9	up to 30 days	2023
Customer G	Provision of refrigeration equipment solutions	A PRC company that is principally engaged in the development of renewable energy projects	40,658	5.5	nil	2022
Customer H	Integrated solution for construction of high-efficiency energy stations	A PRC company that is principally engaged in the manufacture of solar cells	32,006	4.3	up to 30 days	2023
Total			533,289	72.2		

For the year ended December 31, 2025

Customer	Product sold/service provided by us	Customer background	Revenue	% of total revenue	Credit Term	Year of commencing business relationship
			(RMB'000)			
Customer A	Construction of integrated energy stations and operation services	A PRC company that is principally engaged in the manufacturing of lithium-ion battery	262,325	41.0	up to 40 days	2021
Customer I	Retrofit and operation and maintenance solutions covering key energy systems in hospitals	Hospital in Changzhou	31,508	4.9	30 days	2023
Customer C	Provision of refrigeration equipment solutions	A PRC company that is principally engaged in the manufacture of photovoltaic equipment and components	23,212	3.6	15 business days	2022
Customer J	Integrated solution for construction of high-efficiency energy stations	A PRC company that is principally engaged in the real estate industry	22,910	3.6	up to 20 business days	2024
Customer K	Integrated energy management solutions for public buildings	A municipal government authority in the PRC	18,393	2.9	10 business days	2019
Total			358,348	56.0		

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To the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any Shareholders holds more than 5% of our issued share capital had any interests in any of our five largest customers in each year of the Track Record Period.

SUPPLY CHAIN MANAGEMENT

We place great importance on our supply chain management in enhancing our competitive edge. We aim to procure goods and services that meet production and operational needs in a timely, location-appropriate, quality-assured, and cost-effective manner. Our supply chain management ensures that product quality, delivery times and services consistently meet our requirements.

Our suppliers primarily comprise equipment suppliers of refrigeration equipment, air compressors, water pumps, boilers and cooling tower as well as energy and utility companies and subcontractors. We purchase materials and equipment as needed. The procurement items primarily include (i) equipment such as water-cooled chillers, freezing pumps and cooling pumps; (ii) raw materials such as air pipes, and valves; and (iii) labor services.

Supplier Selection and Procurement Control

We select our suppliers based on various factors, including but not limited to product or service quality, pricing, delivery time and supply chain traceability, to ensure quality of the goods and services. We have a list of approved suppliers, which is maintained and updated on a periodical basis by our procurement team. In addition, we also regularly review and evaluate our suppliers and their product quality to ensure they abide our quality standard and will continue to satisfy our production and future development needs. We procure different raw materials and services from multiple suppliers in mitigating the risk of single supplier reliance and ensuring the timely delivery of our products, thereby enhancing customer satisfaction.

To enhance the integrity of our supply chain network, we have established anti-kickback policies and procedures. These measures include a zero-tolerance policy, supply agreements strictly prohibiting bribery and kickbacks, and severe penalties including termination for any breaches. We have established a reporting mechanism involving a code of conduct with suppliers, allowing both suppliers and employees to report instances of bribery or kickbacks directly to management.

The goods and services are primarily determined by negotiation based on the market price and the quantity of our procurement. In the event of significant price fluctuations in the market, prices may be adjusted, subject to both parties’ mutual agreement, with reference to the market prices.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any quality and delivery issues, significant shortages or delays with the goods and services that materially affected our operations.

Major Suppliers

Purchases from our five largest suppliers in each year during the Track Record Period accounted for 47.7%, 29.0% and 38.7% of our total purchases for the respective year. Purchases from our largest supplier in each year during the Track Record Period accounted for 27.2%, 9.4% and 19.1% of our total purchases for the respective year.

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For the year ended December 31, 2023

Supplier ⁽ⁱ⁾	Product/service procured by us	Supplier background	Purchase amount	% of total purchase amount	Credit Term	Year of commencing business relationship
			(RMB'000)			
Johnson Controls International Plc	Water-cooled chillers and platform design services	An international corporation in thermal management, mission-critical building systems, energy efficiency and decarbonization	255,624	27.2	30 to 180 days	2018
Supplier A	Engineering services and water-cooled chiller	A PRC company that is principally engaged in the sales of water-cooled chillers and provision of engineering services	79,375	8.4	up to 30 days	2020
Supplier B	Construction services	A PRC company that is principally engaged in general contracting for electromechanical and HVAC system integration	57,588	6.1	up to 60 days	2022
Supplier C	Utilities	A PRC company that is principally engaged in the provision of integrated energy service	31,343	3.3	nil	2023
Supplier D	Construction services	A PRC company that is principally engaged in industrial equipment installation and data-center engineering works	25,511	2.7	28 days	2020
Total			449,441	47.7		

Note:

- (i) Suppliers that are under the control of the same ultimate holding company, despite being separate legal entities, are regarded as one single supplier.

For the year ended December 31, 2024

Supplier ⁽ⁱ⁾	Product/service procured by us	Supplier background	Purchase amount	% of total purchase amount	Credit Term	Year of commencing business relationship
			(RMB'000)			
Supplier C	Utilities	A PRC company that is principally engaged in the provision of integrated energy service	60,210	9.4	nil	2023
Johnson Controls International Plc	Water-cooled chillers and platform design services	An international corporation in thermal management, mission-critical building systems, energy efficiency and decarbonization	38,601	6.1	30 to 180 days	2018
Supplier E.	Dehumidification systems	A PRC company that is principally engaged in equipment support and energy-saving operation and maintenance services	37,410	5.9	up to 45 days	2018

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Supplier ⁽ⁱ⁾	Product/service procured by us	Supplier background	Purchase amount (RMB'000)	% of total purchase amount	Credit Term	Year of commencing business relationship
Supplier F.	Chiller units and organic rankine cycle (ORC) system	A PRC company that is principally engaged in research and development, manufacturing and sale of evaporative cooling equipment	27,239	4.3	up to seven days	2023
Supplier G	Construction services	a PRC company that is principally engaged in construction engineering and related electromechanical installation works	20,889	3.3	up to 30 days	2022
Total			184,349	29.0		

Note:

- (i) Suppliers that are under the control of the same ultimate holding company, despite being separate legal entities, are regarded as one single supplier.

For the year ended December 31, 2025

Supplier ⁽ⁱ⁾	Product/service procured by us	Supplier background	Purchase amount (RMB'000)	% of total purchase amount	Credit Term	Year of commencing business relationship
Johnson Controls International Plc	Water-cooled chillers and platform design services	An international corporation in thermal management, mission-critical building systems, energy efficiency and decarbonization	110,578	19.1	30 to 180 days	2018
Supplier H	Utilities	A state electricity corporation at provincial level that is primarily engaged in the generation and supply of electricity	44,436	7.7	nil	2020
Supplier C	Utilities	A PRC company that is principally engaged in the provision of integrated energy service	40,635	7.0	nil	2023
Supplier I	ORC system	A PRC company that is principally engaged in the provision of energy-saving optimization and technical services	15,101	2.6	14 days	2023
Supplier J	Construction services	a PRC company that is principally engaged in automation control systems and intelligent building system design services	13,446	2.3	30 days	2025
Total			224,196	38.7		

Note:

- (i) Suppliers that are under the control of the same ultimate holding company, despite being separate legal entities, are regarded as one single supplier.

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During the Track Record Period and up to the Latest Practicable Date, we have not experienced any significant fluctuation in prices set by our suppliers or material breach of contract on the part of our suppliers. As of the Latest Practicable Date, one of our substantial shareholders, Tyco Ireland, is ultimately controlled by Johnson Controls International Plc. As of the same date, to the best knowledge of our Directors, save as disclosed, none of our Directors or their respective close associates or any of our shareholders owned more than 5% of our issued shares (excluding treasury shares), had any interest in any of our five largest suppliers.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Johnson Controls International Plc was one of our five largest suppliers in each year during the Track Record Period. A subsidiary of Johnson Controls International Plc was a customer of our Company in 2024. Johnson Controls International Plc is an international corporation in thermal management, mission-critical building systems, energy efficiency and decarbonization. Johnson Controls International Plc is an associate of a substantial shareholder of our Company according to the Listing Rules. We primarily provided intelligent energy efficiency solutions to the subsidiary of Johnson Controls International Plc and primarily procured water-cooler chillers from Johnson Controls International Plc. In 2024, our sales to the subsidiary of Johnson Controls International Plc amounted to RMB0.9 million, accounting for 0.1% of our total revenue for the same year. In 2023, 2024 and 2025, our purchases from Johnson Controls International Plc amounted to RMB255.6 million, RMB38.6 million and RMB110.6 million, respectively, accounting for 27.2%, 6.1% and 19.1% of our total purchases for the respective years.

Supplier A was one of our five largest suppliers in 2023 and a customer of our Company in 2024. Supplier A is a company engaged in the sales of water-cooled chillers and provision of engineering services in China. Supplier A is an Independent Third Party. We primarily sold spare equipment from one of our terminated projects to Supplier A and primarily procured engineering services and water-cooled chiller from it. In 2024, our sales to Supplier A amounted to RMB0.9 million, accounting for 0.1% of our total revenue for the same year. In 2023, our purchases from Supplier A amounted to RMB79.4 million, accounting for 8.4% of our total purchases for the same year.

Supplier H was one of our suppliers in 2023 and 2024 and one of our top five suppliers in 2025. Customer B (also a subsidiary of Supplier H) was one of our top five customers in 2023 and 2024. Supplier H is a state electricity corporation at provincial level that is primarily engaged in the generation and supply of electricity. We provided intelligent energy efficiency solutions to Customer B and procured utilities from Supplier H. In 2023 and 2024, our sales to Customer B amounted to RMB89.3 million and RMB117.3 million, respectively, accounting for 13.9% and 15.9% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, our purchases from Supplier H amounted to RMB18.4 million, RMB19.1 million and RMB44.4 million, respectively, accounting for 2.0%, 3.0%, and 7.7% of our total purchases for the respective years.

Save for the purchases and sales transactions and as disclosed in the document, we do not have any other past or present relationships (including, without limitation, financing, family, employment, trust or otherwise) with each of Johnson Controls International Plc, Supplier A, Supplier H and Customer B, its respective substantial shareholders, directors or senior management, or any of its respective associates.

Our Directors are of the view that the transactions that we entered into with the overlapping supplier-customers were on an arm's-length, mutually independent basis under normal commercial terms. Negotiations of the terms of our sales to and purchases from these overlapping supplier-customers were conducted on an individual basis, and the sales and purchases were neither inter-connected nor inter-conditional with each other. For each of the overlapping supplier-customers, the key terms of our sales and supply agreements were substantially similar to those of our other customers or suppliers. According to Frost & Sullivan, having such overlapping is common in the industry. Save as disclosed, to the best of our knowledge, none of our major customers during each year of the Track Record Period was a supplier of ours and vice versa.

BUSINESS

THIRD-PARTY PAYMENTS

Background

During the Track Record Period, a total of seven customers (the “**Relevant Customers**”) settled their payments with our Company and one of our subsidiaries through the accounts of third parties designated by these Relevant Customers (the “**Third-party Payment Arrangements**”). In 2023, 2024 and 2025, the aggregate amount of payment from designated third parties to our Group was RMB0.7 million, RMB0.03 million and RMB0.1 million, respectively, representing 0.1%, 0.0% and 0.0% of our total revenue for the respective years.

During the Track Record Period, the third parties designated by the Relevant Customers (the “**Third-party Payors**”) to make payments to us primarily consisted of project owner, employee, entrusted developer or local administrative authorities of the Relevant Customers. To the best of our knowledge, our Directors confirm that none of the Third-party Payors (other than New Development Group) during the Track Record Period is a connected person of our Group.

Reasons for Accepting Third-party Payment Arrangements and the Legality of the Arrangements.

The Relevant Customers utilized Third-party Payment Arrangements to settle payments with us primarily because: (i) local administrative authorities directly made payments by way of government appropriations on behalf of their affiliated branches in accordance with fund supervision requirements by relevant PRC laws and regulations and (ii) project owner, employee or entrusted developer of the Relevant Customers directly made payment to streamline the payment process. As advised by Frost & Sullivan, Third-party Payment Arrangements are common industry practice.

All third-party Payment Arrangements will be ceased prior to the [REDACTED], with the exception of the government appropriation arrangements. As advised by our PRC Legal Advisor: (i) during the Track Record Period, the Third-party Payment Arrangements of our Group did not contravene mandatory provisions of applicable PRC laws and regulations; (ii) during the Track Record Period, the risk of our Group being required under PRC laws and regulations to refund funds to the Relevant Customers and/or their designated Third-party Payors solely as a result of our Group’s receipt of payments pursuant to the Third-party Payment Arrangements is low; (iii) the Third-party Payment Arrangements had genuine and lawful commercial substance, and the risk of our Group being determined to constitute the crime of money laundering under PRC laws in connection with the Third-party Payment Arrangements is low; and (iv) during the Track Record Period, our Group did not have any non-compliance in the local financial regulatory domain or the public security domain, we were not found to have participated in any money laundering activities, potentially money laundering-related activities or any related investigations, and we are not aware of any Relevant Customer or Third-party Payer being subject to any administrative investigation or penalty, or any criminal investigation or penalty, as a result of the Third-party Payment Arrangements. Based on the foregoing analysis, our PRC Legal Advisor is of the view that the risk of money laundering in relation to our business operations and the Third-party Payment Arrangement(s) is low. See “Risk Factors – Risks Relating to Our Business and Industry – We are subject to risks relating to third-party payments”.

Internal Control Measures

As of the Latest Practicable Date, we adopted internal control measures to mitigate related risks and prevent future occurrences of the Third-party Payment Arrangements, including:

- we have established our financial management system to examine the transaction nature of the third-party payment;

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- where special circumstances require third-party payments, we conduct risk assessments and require additional documents and information to regulate the third-party payment processes;
- we implement relevant anti-money laundering and anti-fraud measures to spot and identify suspicious transactions; and
- we implement risk control measures that all third-party parties are subject to screening through risk control system, including blacklist checks and behavioral profiling analysis.

INVENTORY

Inventory Management

During the Track Record Period, our inventories primarily included equipment purchased for intelligent energy efficiency projects, which mainly included water-cooled chillers. As of the Latest Practicable Date, our inventories were stored in warehouses leased from Independent Third Parties and temporary warehouses at project sites. We strive to maintain optimal inventory levels to meet our sales plans. As of December 31, 2023, 2024 and 2025, our inventories and contract costs amounted to RMB266.8 million, RMB149.1 million and RMB91.1 million, respectively. In 2023, 2024 and 2025, our inventories and contract costs inventory turnover days were 119 days, 128 days and 88 days, respectively.

To maintain our competitiveness, keep our products with evolving market demand and prevent inventory obsolescence, we have implemented measures to optimize our inventory levels. We proactively track market condition changes and maintain safety stock to prepare for unexpected increases in demand delays or shortages in supply. Our finance department performs inventory counts on a semi-annual basis. We maintain standardized warehouse procedures for goods receipt, storage classification, dispatch control and regular inventory reconciliation to ensure inventory accuracy.

QUALITY CONTROL

We place significant emphasis on quality control with regard to the construction and management of our projects. We believe that quality control is essential in establishing and strengthening the reputation of our brand. To ensure the quality of our projects as well as compliance with relevant laws and regulations, we have established a system of quality control policies and procedures to govern each aspect of the development process:

- During the design stage, we strictly adhere to the relevant national, local and industry design standards, and carry out project design and product selection in accordance with our technical specifications and technical requirements.
- During the procurement stage, we define detailed technical requirements in the tendering process, assess the compliance of bidders’ technical proposals during the evaluation stage, and incorporate the relevant technical documentation into contractual agreements, with clear provisions on obligations and liabilities for breach.
- During the construction stage, our on-site project team conducts daily quality inspections of construction processes through established inspection and feedback mechanisms, prepares inspection reports and provides feedback to suppliers for timely rectification. Our quality and safety department also performs spot checks and maintains inspection records in accordance with the annual project schedule and provides feedback to the project team to ensure timely corrective actions.

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- During the inspection and acceptance stage, upon completion of construction, our engineering department organizes inspections jointly with the technical department and operation and maintenance department based on on-site conditions. Subject to satisfactory inspection results, we conduct completion acceptance and issue completion acceptance reports.

INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of December 31, 2025, we held 19 invention patents, 45 utility model patents, 48 software copyrights, 10 trademarks, one domain name and one copyright in China and one trademark in Hong Kong. See “Appendix VI — Statutory and General Information — B. Further Information about our Business — 2. Our Intellectual Property Rights.” We rely on a combination of intellectual property protections laws in the jurisdictions in which we operate and contractual arrangements (including confidentiality provisions) to establish and protect our proprietary technologies, know-how and other intellectual property rights.

We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual property and trade secrets. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to intellectual property infringement claims, which may be expensive and time-consuming to defend and may disrupt our business and operation by diverting our financial and management resources.” and Risk Factors — Risks Relating to Our Business and Industry — We may not be able to take or maintain adequate intellectual property rights protection for our services and solutions, which may adversely impact on our business, financial performance and results of operation.”

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we were not aware of any legal proceedings preventing us from exploiting our intellectual property rights in a manner that would materially and adversely affect our business, or legal proceedings brought against us for infringement of intellectual property rights that would have a material adverse effect on our business, financial condition or results of operations.

COMPETITION

The intelligent energy management solutions industry in China is characterized by a diversified and competitive market structure, with a diverse range of participants. As to our intelligent energy management solutions business, we compete against a diverse range of market participants, including traditional energy-saving equipment manufacturers, large energy groups, multinational corporations and other integrated intelligent energy management solutions providers. See “Industry Overview” for more details of the competitive landscape of the intelligent energy management market.

According to Frost & Sullivan, the key barriers to entering the intelligent energy management solutions industry include technology and R&D capability, operational experience, financial constraints, qualification acquisition and risk management. Our competitive strengths including (i) distinct products and technologies, enabling integrated solutions; (ii) ability to meet diverse customer demands through multiple coordinated business models; (iii) established collaborative ecosystem for mutual benefits; (iv)

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capabilities of strong R&D capabilities and continuous improvement of our solutions; (v) diversified customer base and well-recognized market reputation and (vi) experienced management team and strong shareholder background, enable us to compete effectively with other market players. According to Frost & Sullivan, in 2025, we were the second largest full-cycle intelligent energy management solutions provider in China, with a market share of approximately 4.0%, and the largest in East China, with a market share of approximately 9.6%, in each case in terms of revenue.

INFORMATION TECHNOLOGY

Our information technology systems are critical to our operations, supporting our key operation processes including project consultation, project management, procurement, finance, human resources, customer service, sales and marketing, and bidding, operations and maintenance management, administrative management, research and development management, and asset management. From time to time, we procure or develop new or upgrade existing information technology systems based on our business needs. We ensure the integrity and security of operational data through strict network security protocols and access control mechanisms. During the Track Record Period, we did not suffer any major information technology system failures or related losses.

The information technology systems we utilize for our business operations primarily include the Guolian green technology Cloud OA system, the major modules of which comprise project management, contract management, procurement management, engineering management, operation and maintenance management, financial management, administrative management, human resources management, research and development management and asset management modules.

EMPLOYEES

As of December 31, 2025, we had a total of 168 full-time employees who are located in the PRC. The following table sets out a breakdown of our employees by business function as of the same date:

Function/department	Number of employee	% of total employees
Marketing and Sales	44	26.2
R&D	38	22.6
Operations and Delivery	43	25.6
Management and Administration	25	14.9
Finance	13	7.7
Manufacturing	5	3.0
Total	168	100.0

We believe that our employees contribute to the success of our Group and we are committed to providing competitive compensation and benefits. We recruit employees based on a number of factors such as their industry experience in the industries which we operate, their educational background and our business needs. Our employees would also undergo training to enhance their technical skills, knowledge of industry quality standards, occupational health and safety standards and applicable laws and regulations from time to time. We enter into standard employment contracts and confidentiality agreements with our employees. We also enter into non-competition agreements with our key employees.

We participate in social security plans, including pension, work injury insurance, unemployment insurance, childbirth insurance and medical insurance and housing funds. In addition to traditional employee compensation plans and allowance scheme, we also adopt various share incentive plans to motivate and award the qualifying employees.

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We invest heavily in our employees and have developed sophisticated and systematic training programs to improve their skills and knowledge. We provide a variety of professional training to our employees at various levels according to their career development stages. The topics of our training programs include management, marketing, technology, production, production safety, finance and professional skills.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major labor dispute or disturbance that had interfered with our operations and we believe we maintain good employee relations.

PROPERTIES

Owned properties

As of December 31, 2025, we did not own any properties. As of the same date, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Leased properties

As of December 31, 2025, we leased 10 properties in the PRC, with an aggregated GFA of approximately 14,776.5 sq.m., which are primarily used as office, residences, business premises, production and operational premises. As of the Latest Practicable Date, the lease agreement for two leased properties had not been registered with the relevant government authorities. We did not experience any material difficulties in negotiating a renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Advisor, failure to complete the registration of lease agreements does not affect the validity of the lease contracts. However, we may be ordered by the relevant government authorities to rectify such non-compliance within a prescribed time limit. If we fail to do so, we may be subject to a fine ranging from RMB1,000 to RMB10,000 per lease agreement. During the Track Record Period and up to the Latest Practicable Date, neither our Company nor our major subsidiaries have been penalized or fined by the relevant authorities regarding the non-registration of lease agreements. Our PRC Legal Advisor is of the view that the failure to complete the registration of the lease agreement will not have a material adverse impact on our business operations.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. For further information, please refer to the section headed “Risk Factors — Risks relating to our business and industry – If we become subject to litigation, legal or contractual disputes, governmental investigations, arbitration or administrative proceedings, our management’s attention may be diverted and we may incur substantial costs and liabilities.” in this document. During the Track Record Period and up to the Latest Practicable Date, there was no material

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litigation or arbitration pending or threatened against us or our Directors that could, individually or in the aggregate, have a material and adverse effect on our business, financial condition, or results of operations.

Legal compliance

Our Directors confirm that our Group has complied, in all material respects, with substantially all relevant laws and regulations in the PRC and overseas, and there was no non-compliance incident that had materially and adversely affected our business, financial position, or results of operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

During the Track Record Period, we purchased insurance coverage for our main assets, construction work and personnel at the construction site. The main kinds of insurance policies we have purchased and maintained include property all risks insurance, machinery breakdown insurance, construction all risks insurance and personal accident insurance. We also provided mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance, maternity insurance and medical insurance.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies. Our Directors believe that our insurance coverage is adequate and is in line with industry practice. However, the risks related to our business and operations may not be fully covered by insurance. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all the losses associated with our business operations.” As of the Latest Practicable Date, we had not experienced any business interruptions that had a material adverse effect on our business.

LICENSES, APPROVAL AND PERMITS

Our Directors confirmed that, as of the Latest Practicable Date, we had obtained all material licenses and permits that are necessary for our business operations in China. The following table sets forth details of our other material licenses and permits:

<u>License/Permit</u>	<u>Holder</u>	<u>Issuing Authority</u>	<u>Filing Date/ Grant Date</u>	<u>Expiration Date</u>
Registration of a Consignee or Consignor of Imported or Exported Goods (海關進出口貨物收發貨人備案回執)	Our Company	China Customs (Wuxi Customs)(中國海關(無錫海關))	October 12, 2024	December 31, 2099
Cross-border E-commerce Enterprise Filing (跨境電子商務電商企業備案)	Our Company	China Customs (Wuxi Customs)(中國海關(無錫海關))	December 27, 2024	December 31, 2099
Safety Production License (安全生產許可證)	Our Company	Jiangsu Provincial Department of Housing and Urban-Rural Development (江蘇省住房與城鄉建設廳)	October 27, 2025	January 19, 2029

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License/Permit	Holder	Issuing Authority	Filing Date/ Grant Date	Expiration Date
Construction Enterprise Qualification Certificate – Grade II Professional Contracting Qualification for Electronic and Intelligent Engineering, Grade II General Contracting Qualification for Mechanical and Electrical Engineering (建築業企業資質證書－電子與智能化工程專業承包二級、機電工程施工總承包二級)	Our Company	Jiangsu Provincial Department of Housing and Urban-Rural Development (江蘇省住房與城鄉建設廳)	July 29, 2025	June 29, 2029
Construction Enterprise Qualification Certificate – Grade II Professional Contracting Qualification for Electronic and Intelligent Engineering (建築業企業資質證書－電子與智能化工程專業承包二級)	Xinfa zhilian	Jiangsu Provincial Department of Housing and Urban-Rural Development (江蘇省住房與城鄉建設廳)	May 29, 2023	March 18, 2027
Stationary Pollution Source Discharge (固定污染源排污登記回執)	Wuxi Haibolrui	Ministry of Ecology and Environment (生態環境部)	June 23, 2025	June 22, 2030

AWARDS AND RECOGNITION

The following table sets forth notable awards and recognition in respect of our business achievements, technology, and innovation:

Year	Award/Recognition	Awarding Institution/Authority
2025	Selected for the 2025 Information Technology Application Innovation Solutions Repository of the Ministry of Industry and Information Technology (工信部2025信息技術應用創新解決方案庫)	Ministry of Industry and Information Technology (工業和信息化部)
2025	Chairman Member Unit of the ESCO Committee of China Energy Conservation Association (中國節能協會節能服務產業委員會EMCA主任委員單位)	ESCO Committee of China Energy Conservation Association (中國節能協會節能服務產業委員會)

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Year	Award/Acknowledgment	Awarding Institution/Authority
2025	Excellent Demonstration Project of Energy Performance Contracting (合同能源管理優秀示範項目)	Jinchen Standard (Tianjin) Certification Group Co., Ltd. (津辰標準(天津)認證集團有限公司)
2024	Specialized and Sophisticated Small and Medium-sized Enterprise in Jiangsu Province (江蘇省專精特新中小企業)	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
2023	High-Tech Enterprise in Jiangsu Province (江蘇省高新技術企業)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳), Department of Finance of Jiangsu Province (江蘇省財政廳) and State Taxation Administration Jiangsu Provincial Tax Bureau (國家稅務總局江蘇省稅務局)
2023	2023 “Blue Sky Cup” Outstanding Energy Conservation Technology Project (2023「藍天杯」卓越節能技術項目)	HVAC Magazine (《暖通空調》雜誌社)

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

During the process of preparing for the [REDACTED], we have engaged an internal control consultant (the “**Internal Control Consultant**”), to perform a review in connection with the internal control regarding our Group’s entity-level and procedure-level internal controls of various processes, including sales, accounts receivable and collection management, procurement and payment management, inventory and logistics management, human resources and payroll management, project and cost management, management of fixed assets and intangible assets, cash and treasury management, insurance management, financial reporting and disclosure controls, taxation management, management of contracts and common seal, research and development management, management of patents and other intellectual property and general controls of IT system (including protection of data and privacy). The Internal Control Consultant has no further recommendation after the follow-up review on these procedures.

We have adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control personnel for each stage of the production process. The Directors (who are responsible for overseeing our corporate governance) with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations after the [REDACTED].

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

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- establish an Audit Committee, which shall (i) make recommendations to the Directors on the appointment and removal of external auditors; (ii) review our financial statements and oversee our financial reporting and internal audit; and (iii) oversee our risk management and internal control procedures. See “Directors and Senior Management – Board Committees – Audit Committee” for the qualifications and experience of the committee members;
- engaged Red Solar Capital Limited as our compliance advisor to provide advice to us until the end of the first fiscal year after the [REDACTED] regarding matters relating to the Listing Rules. Our compliance advisor is expected to ensure our use of funding complies with the section headed “Future Plans and Use of [REDACTED]” in this document after the [REDACTED], as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion;
- engage a PRC law firm to advise us on and keep us abreast with the PRC laws and regulations after the [REDACTED]. We will continue to arrange various trainings to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update the Directors, senior management and relevant employees on the latest PRC laws and regulations;
- adopt various policies to help ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; execute anti-corruption and anti-bribery compliance management on our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against noncompliance in employee handbooks;
- organize training sessions for the Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programs on quality assurance and product safety procedures.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include but are not limited to changes in the general market conditions and the regulatory environment of intelligent energy management solutions industry, our ability to offer quality services, our ability to manage our anticipated growth and to execute on our growth strategies, and our ability to compete with our competitors. See the section headed “Risk Factors” in this document for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to currency risk, interest rate risk and other price risk, credit risk and liquidity risk. See “Financial Information — Financial Risks Management” in this document for a discussion of these market risks.

In order to meet these challenges, our Audit Committee, comprising three Directors, namely Ms. Lo Bo Yee, Mr. Zhang Peng and Ms. Tang Lin and chaired by Ms. Lo Bo Yee, is responsible for reviewing and supervising our financial reporting process, internal control and risk management systems.

We maintain a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, budget management policies, liability policies, financial statements preparation policies and finance department and staff management policies. We have various procedures and IT systems to implement our accounting policies, and our finance

BUSINESS

department reviews our management accounts accordingly. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and strictly enforce them in our daily operations.

We also have set a number of standard operation procedures for human resource management in China, including the employee management system, training manuals, and human resource planning policies. These measures aim to mitigate our risks in insufficient recruitment, staff attrition, noncompliance with labor regulations, employee information management and others. We maintain a set of accounting policies in connection with our financial reporting risk management. We also have various procedures and IT systems to implement our accounting policies, and our finance department reviews our management accounts accordingly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We place great importance to environmental and social issues, deeply integrating ESG concepts into the entire process of business management, and seek to create long-term value for all stakeholders.

ESG GOVERNANCE

Our ESG management structure consists of the Board of Directors, the Strategy and ESG Committee under the Board, and the ESG Working Group.

The Board of Directors is the decision-making and leadership body for all ESG matters. Its primary responsibilities include:

- Reviewing and approving ESG strategic planning and programmes;
- Reviewing and approving the ESG governance structure and key ESG policies;
- Reviewing and approving ESG-related information disclosure reports;
- Reviewing and approving the public disclosure of significant ESG governance information; and
- Reviewing response plans for ESG-related risks that may have a significant impact on our Group and for significant negative ESG incidents.

The Strategy and ESG Committee serves as the research and advisory body for all ESG matters. Its primary responsibilities include:

- Researching on sustainability and ESG strategies, targets, and major matters, reviewing ESG-related reports and providing recommendations;
- Identifying ESG risks and opportunities, assessing their impact on our Group and proposing recommendations for managing such risks and opportunities; and
- Overseeing the implementation of the above matters.

The ESG Working Group’s primary responsibilities include:

- Implementing the ESG development strategy and targets, and coordinating execution units to carry out ESG work;

BUSINESS

- Drafting ESG policy documents, relevant topics, phased work plans and implementation plans, etc.;
- Collecting and compiling ESG information, and organizing the preparation of the ESG report and related documents;
- Organizing stakeholder engagement to understand their demands, opinions and suggestions; and
- Organizing and performing other tasks of the ESG Working Group.

Each execution unit is responsible for implementing assigned ESG initiatives in accordance with our Group’s overall plan and for regularly reporting progress.

ENVIRONMENTAL

Resource Utilization

We are committed to improving energy efficiency and promoting green and low-carbon development. Our Group’s major energy source is purchased electricity.

We released an energy conservation awareness video to promote employee awareness and encourage energy-saving practices.

The table below sets out our energy consumption during the Track Record Period:

Indicator	Unit	2023	2024	2025
Purchased electricity	kWh	120,120.44	163,948.79	203,512.99
Purchased electricity intensity	kWh/square meter	91.34	86.07	50.44

In terms of water resource management, all water used by us is sourced from municipal supplies, and we have not experienced any issues in obtaining water that is fit for purpose.

The table below sets out our water consumption during the Track Record Period:

Indicator	Unit	2023	2024	2025
Total water consumption	Ton	161.47	129.86	178.12
Water consumption intensity	Tons/square meter	0.12	0.07	0.04

Addressing Climate Change

We refer to the Task Force on Climate-related Financial Disclosures (TCFD) framework and recommendations to focus on and identify climate-related risks, assess their actual and potential impacts on our operations strategy and financial performance. We also implement appropriate measures to address such risks and support the sustainable development of our business.

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Governance

We have established a Strategy and ESG Committee and an ESG Working Group responsible for ESG-related work, including addressing climate change. These bodies oversee the head of the environmental department in assessing and managing climate change-related risks and opportunities, with regular reporting to the head of the ESG Working Group. They integrate ESG concepts and EHS management system requirements into business processes to ensure effective implementation.

Strategy

We are closely monitoring the risks associated with climate change, including the transition risks relating to the low-carbon economy transition and the physical risks associated with climate change. We assess and analyze the potential impact of relevant risks on our operations by integrating industry characteristics and overall business planning, and formulate response strategies and initiatives.

Risk management

We incorporate climate-related risk into our Group overall risk management framework, forming a closed-loop management system covering risk identification, risk assessment, risk response, monitoring and reporting, as well as review and continuous improvement.

Metrics and Targets

The following table sets forth our greenhouse gas emissions during the Track Record Period:

Indicator ¹	Unit	2023	2024	2025
Indirect GHG emissions (Scope 2) ²	tCO ₂ -e	63.74	86.99	107.98
Indirect GHG emissions (Scope 2) intensity	tCO ₂ -e/square meter	0.05	0.05	0.03

1. Our Group’s major energy source is purchased electricity, with no direct combustion energy sources such as natural gas and gasoline, and therefore has no direct GHG emissions (Scope 1).
2. Indirect GHG emissions (Scope 2) are calculated based on electricity consumption and emission factors, with reference to the “Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors” issued by the Ministry of Ecology.

SOCIAL

Employment Management

We have formulated specific regulations, such as the “Labor Employment Management Regulations” and the “Attendance and Leave Management Regulations”, and established diversified recruitment channels, including campus recruitment, internal referrals and social recruitment platforms. Job postings do not contain any discriminatory provisions based on age, gender or other factors.

During the recruitment process, we verify the identity information of candidates and strictly prohibit the employment of minors under the age of sixteen. We implement a full-time employment contract system and enter into written employment contracts with our employees in accordance with applicable laws. We have established a multi-dimensional communication and feedback mechanism. This includes one-to-one performance discussions between department managers and employees, and mechanisms for employees to raise concerns regarding their performance assessments to the human resources & administration department or to their respective line managers. For compensation-related matters, employees may also raise concerns directly with the human resources & administration

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department. Through these well-established communication channels, we ensure that employee’s reasonable demands and suggestions are efficiently conveyed and promptly addressed. During the Track Record Period, we strictly adhered to the principles of fair and equal employment, impartiality and openness, and no adverse incidents related to discrimination or harassment occurred.

In addition, we provide a range of employee benefits, including communication subsidies, meal allowances, festival benefits (Dragon Boat Festival, Mid-Autumn Festival, Spring Festival), birthday benefits, Women’s Day benefits, annual medical check-ups, pre-employment health examinations, and supplementary commercial insurance, thereby enhancing employee wellbeing.

Training and Development

We have established the “Training Management System” to establish a structured training framework and implement targeted programmes to enhance employee capabilities. Our training initiatives include onboarding for new employees, department-specific training, leadership development, safety and production training, professional skills training, and external certification courses. These trainings are delivered both online and offline, primarily through lectures alongside group discussions and brainstorming sessions. The participation of all employees in these training activities not only addresses human resource needs but also enhances employee competencies and overall capabilities.

Employee Health and Safety

Production safety constitutes a fundamental principle of our operations. We conduct regular safety training to enhance employee awareness of safety protocols and require the mandatory use of personal protective equipment (PPE), such as safety helmets and work boots, at construction sites, in order to safeguard the health and safety of our workforce.

Product Responsibility

Depending on the role of hardware products within our energy-saving solutions, we offer two service models: where hardware is central to the solutions, we provide integrated solutions that include hardware, engineering and technical support; where hardware is not the primary component, we offer independent technical services, with clients procuring the hardware themselves.

We place great emphasis on engineering quality, system operations and maintenance standards, as well as customer service management. We have established systems such as the “Engineering Management System”, the “Operations and Maintenance Management System” and the “Customer Complaint Management System”. We remain committed to a customer-centric approach, continuously striving to improve product quality and service standards.

Customer Complaint Management

We have implemented the “Customer Complaint Management System” to provide a unified after-sales service channel, including a service hotline, online customer service and on-site support, ensuring that customer concerns are promptly received and addressed. We strictly follow a closed-loop complaint-handling process — “reception, registration, assignment, resolution and follow-up”, with clear timeframes and quality requirements defined for each stage to facilitate the effective resolution of complaints. In addition, we provide professional training and assessments to after-sales service personnel to enhance their service and problem-solving capabilities. We have also established a service quality monitoring and traceability mechanism to regularly review and improve service processes, outcomes and customer satisfaction.

BUSINESS

Responsible Marketing

We uphold responsible marketing practices and strictly avoid any false, misleading, or exaggerated claims. We implement rigorous pre-release review procedures to ensure that all information is objective, balanced, and verifiable. We continue to conduct compliance training for employees to strengthen the awareness of responsibility among marketing staff, ensuring all marketing activities are carried out in a transparent and responsible manner.

Empowering Customers

We empower other enterprises across society to achieve energy conservation and emission reduction through our energy hosting projects. Taking a large-scale new-energy battery production base hosting project entrusted to us in 2022 as an example, the scope of the project covers energy hosting of the entire energy system within the energy station, including chilled water, hot water, compressed air, nitrogen, steam, and ultrapure water. The project adopts an energy hosting model with a service term of 10 years. For this project, we delivered an integrated solution encompassing comprehensive retrofitting and operation of the core energy systems of the production base. This includes a high-efficiency cooling system within the energy station (featuring variable- and fixed-speed centrifugal chillers, high-efficiency pump systems, and cooling towers), a high-efficiency boiler steam system, a high-efficiency compressed air and nitrogen generation system (including water-cooled oil-free centrifugal compressors and variable-frequency screw compressors, zero-air-consumption compression-heat-driven adsorption dryers, self-cleaning filters, multi-stage pipeline filters, stainless-steel air receivers, pressure-swing adsorption nitrogen generators, and carbon-bed purification units) and an ultrapure water system. In parallel, we built an energy monitoring platform to ensure reliable, uninterrupted energy supply across the full battery manufacturing process. Through optimized design, construction, and energy-efficient operation of high-performance heating/cooling sources and compressed air systems, the energy efficiency of the chiller plant and compressed air system is improved by no less than 20% compared to conventional energy stations. While fully meeting existing operational requirements, the project achieves annual energy savings of no fewer than 3,040 metric tons of standard coal equivalent.

Supply Chain Management

We have developed specific systems, such as the “Supplier Management System,” the “Procurement Management System,” and the “Supplier Evaluation and Access System”, to establish a comprehensive supplier management framework. By standardizing the full lifecycle of supplier development, evaluation, and auditing, we ensure that suppliers meet required standards, thereby maintaining quality and stability across the supply chain.

In selecting and evaluating suppliers, we prioritize those with relevant certifications, including ISO 9001 – Quality Management Systems, ISO 14001 – Environmental Management Systems, ISO 45001 – Occupational Health and Safety Systems, and GB/T 50430 – Code for Quality Management of Engineering Construction Enterprises. Equipment selection is based on energy efficiency and environmental protection criteria, which are clearly outlined in detailed procurement specifications and incorporated as technical appendices in subsequent procurement contracts.

We also enter into “Integrity Agreements” with suppliers and conducts annual performance evaluations. Suppliers that fail to meet performance standards may be removed from our approved supplier list.

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Integrity and Anti-corruption

Under the leadership of the Chairman, we have established the “Integrity System” which clearly outlines disciplinary and integrity conduct standards, procedures for the receipt, registration, approval and investigation of fraud-related cases, and a whistleblower protection mechanism. Our Group promotes a culture of honesty and integrity, delivering various forms of integrity education and encouraging both named and anonymous reporting of unethical or dishonest behaviour, thereby fostering an ethical business environment. In addition, we have implemented the “Compliance Management System” and the “Conflict of Interest Management System” to regulate the conduct of our Group and its employees, ensuring lawful and compliant business operations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Huaguang Environment & Energy directly held 45% of the total issued share capital of our Company. As of April 30, 2026, Huaguang Environment & Energy was in turn held directly as to 51.82% by Guolian Development Group and indirectly through Guolian Investment, a wholly-owned subsidiary of Guolian Development Group, as to 1.23%.

Immediately upon completion of the [REDACTED] and assuming that no new Shares are issued under the [REDACTED], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], Huaguang Environment & Energy, Guolian Investment and Guolian Development Group constitute our Controlling Shareholders after the [REDACTED], holding approximately [REDACTED] of the total issued share capital of our Company.

DELINEATION OF BUSINESS AND COMPETITION

Our Business

We are a leading full-cycle intelligent energy management service provider in China with advanced hardware and proprietary software systems that are highly integrated into our solutions, we are committed to offering whole-process intelligent energy management services covering assessment, design, construction, operation and maintenance to customers across different industries. We provided intelligent energy operation solutions and intelligent energy efficiency solutions tailored to the needs of our customers. During the Track Record Period, we generated revenue from (i) intelligent energy operation and management solutions; and (ii) intelligent energy efficiency solutions. For details, please refer to the section headed “Business” of this document.

Business of our Controlling Shareholders

Guolian Development Group is a wholly state-owned limited liability company established in the PRC in December 1997 mainly engaged in the management and operation of capital assets, agency investment, investment consultancy and investment service, and it controls and invests in various companies engaged in sectors including finance, energy, environmental engineering, real estate, leasing and logistics. Guolian Investment is a company established under the laws of the PRC with limited liability on March 25, 2008 engaged in investment and management of entities in the financial industry. Guolian Development Group engages in energy and environmental engineering sectors through Huaguang Environment & Energy and its subsidiaries.

Huaguang Environment & Energy is a company primarily engaged in the following businesses through its subsidiaries and associates: (1) full-industry-chain operations in the energy sector, covering the design and manufacturing of boiler equipment, EPC of conventional and new energy power generation projects, thermoelectric power operation, and photovoltaic (PV) power station operation; and (2) full-industry-chain systematic solutions and comprehensive services in the environmental protection sector (focusing on solid waste disposal), including professional design, manufacturing of environmental protection equipment, manufacturing of hydrogen production equipment, engineering construction, and disposal & operation.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Sales of equipment

During the Track Record Period, we generated revenue through the sales of energy conservation equipment and systems, primarily comprising chillers. On the other hand, as part of its equipment sales business, Huaguang Environment & Energy Group generates revenue through the sales of circulating fluidized bed boilers, pulverized coal boilers, waste incineration boilers, biomass boilers, gas waste heat boilers.

While chillers are typically used in cooling systems of large-scale industrial and commercial HVAC applications to remove heat, boilers are combustion systems used for power generation and industrial processing. According to Frost & Sullivan, there is clear delineation in terms of function and application between the equipment sold by us and those sold by Huaguang Environmental & Energy Group.

During the Track Record Period and as of the Latest Practicable Date, there was no (i) overlapping equipment sold by our Group and Huaguang Environment & Energy Group; and (ii) overlapping of major customers between our Group and Huaguang Environment & Energy Group in terms of the sales of equipment. In view of the above, our Directors believe that there is no competition between our Group and Huaguang Environment & Energy Group in terms of sales of equipment business.

Operation and Engineering services

During the Track Record Period, whether in our intelligent energy operation and management solutions or intelligent energy efficiency solutions business lines, our Company primarily generated revenue by operating HVAC systems for customers and by providing customers with mechanical and electrical engineering services and weak current engineering services for HVAC systems. Our Company’s mechanical and electrical engineering services mainly involve equipment and pipeline installation on our customers’ HVAC systems.

In contrast, Huaguang Environment & Energy Group primarily sells heat (mainly steam) generated through the operation of heat and power cogeneration power plants and photovoltaic power station projects, as well as sells energy through operation of power projects. Its business scope does not include the operation of HVAC systems. Additionally, Huaguang Environment & Energy Group also provides engineering services for: (1) power and heat generation projects (e.g., coal-fired/gas-fired power plants, photovoltaic power stations, steam pipeline laying, geothermal energy, etc.); and (2) municipal environmental engineering projects (e.g., wastewater treatment, sludge and general solid waste treatment, urban road and bridge construction). The engineering services provided by Huaguang Environment & Energy Group mainly involve the construction and installation of energy production equipment such as boilers and PV modules, rather than equipment installation related to the mechanical and electrical engineering for HVAC systems. Therefore, our Company and Huaguang Environment & Energy Group have fundamental differences in business scope, customer base, technical processes, and required business qualifications in terms of operations and engineering services.

During the Track Record Period, we have not undertaken (1) heat and power cogeneration or photovoltaic projects and did not generate revenue from energy production through the investment and operation of energy power plants.; and (2) the manufacturing and construction of municipal and environmental engineering projects, and our Directors confirm that we do not intend to do so in the foreseeable future. In view of the above, our Directors believe that there is no competition between the operation and engineering services of our Group and Huaguang Environment & Energy Group in their operation and engineering businesses.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Minority Interest in York Air Conditioning

In addition to the businesses conducted through its subsidiaries and associates, as at the Latest Practicable Date, Huaguang Environment & Energy also holds 20% interest in York (Wuxi) Air Conditioning and Refrigeration Company Ltd.* (約克(無錫)空調冷凍設備有限公司) (“**York Air Conditioning**”). The remaining 80% interest in York Air Conditioning is ultimately owned by Johnson Controls International plc (“**Johnson Controls International**”), a company listed on the New York Stock Exchange (Ticker symbol: JCI). York Air Conditioning is primarily engaged in the production of chillers.

Although our Group also sells chillers manufactured by York Air Conditioning as part of our intelligent energy efficiency solutions business, we are of the view that there is no competition between our Group and York Air Conditioning primarily due to the following reasons:

- (i) while York Air Conditioning is mainly engaged in the manufacture of chillers, the distribution of chillers to its external customers in the PRC is made primarily through York (China) Commercial Co., Ltd. (約克(中國)商貿有限公司)* (“**York Commercial**”), a wholly-owned subsidiary of Johnson Controls International. During the Track Record Period, as part of its business strategy, York Air Conditioning primarily supplied chillers to York Commercial, which was then responsible for the external sales of chillers. York Air Conditioning generally does not engage in external sales of chillers;
- (ii) during the Track Record Period, the revenue generated from the direct sale of chillers manufactured by York Air Conditioning amounted to RMB30.9 million, RMB23.1 million and RMB23.2 million, amounting to just approximately 4.8%, 3.1% and 3.6% of our total revenue, respectively. As our Group anticipates that we will not generate a substantial portion of our revenue from the sale of chillers in the future, therefore there is no meaningful competition between our Group and York Air Conditioning; and
- (iii) during the Track Record Period and up to the Latest Practicable Date, Huaguang Environment & Energy Group held a minority interest in York Air Conditioning as a passive investor and merely enjoyed economic return from its investment, and thus had no substantial influence over the management of York Air Conditioning. Johnson Controls International, on the other hand, as the shareholder holding 80% interest in York Air Conditioning, controls the board of directors, management and the decision making within York Air Conditioning. Further, as of the Latest Practicable Date, there were no overlapping directors between our Company and York Air Conditioning.

RULE 8.10 OF THE LISTING RULES

None of our Controlling Shareholders was, as of the Latest Practicable Date, interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors consider that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of 12 Directors, comprising three executive Directors, five non-executive Directors and four independent non-executive Directors, and we also have four senior management members (of which two are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, please see the section headed “Directors, Supervisors and Senior Management” in this document.

As of the date of this document, except for the following Directors, none of our Directors and senior management have any executive positions with our Controlling Shareholders and their respective close associates:

<u>Name of Director or senior management</u>	<u>Position(s) held in our Company</u>	<u>Executive position(s) held in our Controlling Shareholders and their respective close associates as of the date of this document</u>
Ms. Ding Zhuoya (丁卓婭女士)	Non-executive Director	Head of the strategic assets of Huaguang Environment & Energy Director of Jiangyin Thermal Power Co., Ltd.* (江陰熱電有限公司) Director of China Design Guolian Wuxi New Energy Development Co., Ltd.* (中設國聯無錫新能源發展有限公司) Director of Nanjing GCL Gas Turbine Cogeneration Co., Ltd.* (南京協鑫燃機熱電有限公司) Director of Wuxi Lantian Gas Turbine Cogeneration Co., Ltd. * (無錫藍天燃機熱電有限公司) Director of Wuxi Huilian Waste-to-Energy Cogeneration Co., Ltd. * (無錫惠聯垃圾熱電有限公司) Director of China Resources Huaguang (Beijing) Cogeneration Co., Ltd. * (華潤華光(北京)熱電有限公司) Director of Wuxi Huilian Cogeneration Co., Ltd. * (無錫惠聯熱電有限公司) Director of Huaxin Design Group Co., Ltd. * (華昕設計集團有限公司) Director of Tongxiang Puyuan Lianxin Environmental Cogeneration Co., Ltd. * (桐鄉濮院聯鑫環保熱電有限公司)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

<u>Name of Director or senior management</u>	<u>Position(s) held in our Company</u>	<u>Executive position(s) held in our Controlling Shareholders and their respective close associates as of the date of this document</u>
		Director of Wuxi Guolian Environmental Technology Co., Ltd.* (無錫國聯環保科技股份有限公司)
		Director of Fengxian Xulian Cogeneration Co., Ltd. * (豐縣徐聯熱電有限公司)
		Director of Wuxi Youlian Cogeneration Co., Ltd. * (無錫友聯熱電股份有限公司)
		Director of Fengxian Fenglian Cogeneration Co., Ltd. * (豐縣豐聯熱電有限公司)
		Director of Jiangyin Thermal Power Yida Energy Co., Ltd.* (江陰熱電益達能源有限公司)
		Director of Jiangyin Gas-Fired Thermal Power Co., Ltd.* (江陰燃機熱電有限公司)
Ms. Tang Lin (唐琳女士)	Non-executive Director	Head of the finance department of Huaguang Environment & Energy
		Director of China Design Guolian Wuxi New Energy Development Co., Ltd.* (中設國聯無錫新能源發展有限公司)
		Director of Huaxin Design Group Co., Ltd. * (華昕設計集團有限公司)
		Director of Wuxi Guolian Environmental Technology Co., Ltd.* (無錫國聯環保科技股份有限公司)
		Director of Wuxi Huaguang Environmental Energy Group Sci-Tech Industry Development Co., Ltd.* (無錫華光環保能源集團科創產業發展有限公司)

Ms. Ding Zhuoya and Ms. Tang Lin (collectively the “**Overlapping Directors**” and each, an “**Overlapping Director**”), being our non-executive Directors, participate in making decisions on major issues such as the formulation of our overall development strategies and corporate operating strategies as members of our Board, but do not participate in the daily business operation and management of our Company. For further information on the skills, knowledge, expertise and experience of the Overlapping Directors, please refer to their respective biographical details as set out in the section headed “Directors, Supervisors and Senior Management” in this document.

Our Directors consider that our Group will be able to operate independently from our Controlling Shareholders after [REDACTED] for the following reasons:

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (i) the decision-making mechanism of our Board set out in the Articles of Associations includes provisions on avoiding conflicts of interest by providing, among other things, that in the event of a conflict of interest, such as considering any resolution on transaction or arrangement in which our Controlling Shareholders or any of their respective close associates has a material interest, such Directors who are connected with our Controlling Shareholders and the transactions shall abstain from voting and shall not be counted in the quorum. Such resolutions shall be passed by a simple majority of our Directors present at the meeting who are not connected with matters being considered;
- (ii) both Overlapping Directors are non-executive Directors and they participate in decision-making on major issues such as the formulation of our overall development strategies and corporate operating strategies as members of our Board, but do not participate in the daily business operation and management of our Company. Our management team is different from that of our Controlling Shareholders and the daily operation and management of our Company is managed by our executive Directors and a group of experienced senior management members who have worked for our Group for a long time and are independent from our Controlling Shareholders and their respective close associates;
- (iii) there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest between our Group and our Controlling Shareholders (if any). For further details, please refer to the paragraph headed “— Corporate Governance Measures” in this section;
- (iv) the daily operation of our Group is carried out by our experienced management team, and we have the capabilities and personnel to perform all essential administrative functions, including finance, accounting, human resources and business management on a standalone basis;
- (v) each of our Directors are aware of his or her fiduciary duties as a Director, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests; and
- (vi) we have appointed four independent non-executive Directors and believe our independent non-executive Directors have the depth and breadth of experience which will enable them to bring independent judgment to the decision-making process of our Board. Our independent non-executive Directors have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that our independent non-executive Directors have sufficient knowledge, experience and capability to provide an independent opinion in the decision-making process of our Board to protect the interests of our Company and our Shareholders as a whole.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company after the [REDACTED], we have full rights to make all decisions regarding, and to carry out, our own business operations independently. We hold all requisite licenses and intellectual properties that are material to the operation of our business. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. We have independent access to suppliers and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

customers and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders. We have established our own sales and marketing, finance, legal and general administrative functions which operate independently from our Controlling Shareholders.

During the Track Record Period, our Group has entered into certain agreements with our Controlling Shareholders. The transactions contemplated under such agreements with our Controlling Shareholders will continue after the [REDACTED] and will therefore constitute our continuing connected transactions under the Listing Rules. For details, please see the section headed “Connected Transactions.” Notwithstanding the above, our Directors are of the view that our Group is still capable of carrying out our business independently from our Controlling Shareholders upon completing of the [REDACTED] for the following reasons:

- (i) during the Track Record Period, we entered into two intelligent energy operation and management agreements for the provision of intelligent energy operation and management solutions to our Controlling Shareholders and generated RMB6.7 million, RMB9.0 million and RMB8.3 million of revenue, respectively, accounting for a de minimis amount of the total revenue amount of our Group for respective years. The revenue generated from our intelligent energy operation and management agreements with our Controlling Shareholders merely constituted a small portion of our total revenue during the Track Record Period. Our Group has established business relationships with customers independent of our Controlling Shareholders and has independent access to other customers under our intelligent energy operation and management solutions business lines; and
- (ii) the intelligent energy operation and management agreements entered into between our Group and our Controlling Shareholders were and will be entered into in the ordinary and usual course of our business, and on normal commercial terms that are fair and reasonable and are no less favorable than terms available from Independent Third Parties.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders.

Financial Independence

As of the Latest Practicable Date, our Group has established our own internal control, accounting and financial management system and we made financial decisions independently according to our own business needs. We have independent bank accounts and do not share any of our bank accounts, loan facilities or credit facilities with our Controlling Shareholders or their respective close associates. In addition, our Group has sufficient capital and credit facilities to operate our business independently and has adequate internal resources and credit profile to support our daily operations.

As of the Latest Practicable Date, we have also entered into a financial services framework agreement with Guolian Finance, a subsidiary of Guolian Development Group, pursuant to which Guolian Finance had made available certain financial services, including comprehensive credit facility services to our Group. For details, please see the section headed “Connected Transactions — Financial Services Framework Agreement”. As of December 31, 2025, the outstanding amount due to Guolian Finance amounted to RMB142.0 million.

Notwithstanding the above loans from our Controlling Shareholders, our Directors believe that our Group is capable of operating financially independent from our Controlling Shareholders and their close associates for the following reasons:

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (i) Guolian Finance is a financial institution engaging, among others, loan services. The interest rates charged by Guolian Finance in respect of the loans granted to us were on normal commercial terms or better and are comparable to loans of similar maturity granted to Independent Third Parties. Maintaining such loans will be conducive to our operations and will not affect the financial independence of our Group;
- (ii) our Group is capable of obtaining financing from external sources without reliance on our Controlling Shareholder in view of our Group’s strong financial position, steady cash flow generation and its ability to raise funds on a standalone basis. As of March 31, 2026, we have obtained credit facilities with a total amount of RMB1,193.3 million from commercial banks and financial institutions without relying on any assistance, guarantee or security from our Controlling Shareholders;
- (iii) we have established long-term business relationships with relevant commercial banks and financial institutions in the PRC, and we believe we are able to obtain bank credit facilities from commercial banks on competitive terms to finance our business and development needs; and
- (iv) as of December 31, 2025, our cash and cash equivalents amounted to RMB137.4 million, demonstrating our strong cash position and ability to finance our operations independently.

Based on the above, our Directors believe that our business is financially independent of our Controlling Shareholders and our close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of sound corporate governance in protection of our Shareholders’ interests. Our Company have/will put in place sufficient and effective corporate governance measures to manage conflicts of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

- (i) the decision-making mechanism of our Board in the Articles of Association has included provisions to avoid conflicts of interest by requiring, among other things, that in the event of a conflict of interest, such as the consideration of a resolution in respect of a transaction or arrangement in which our Controlling Shareholders or any of their close associates has a material interest, such Directors interested in the transaction shall abstain from voting and shall not be counted in the quorum of the meeting;
- (ii) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will abstain from voting on the relevant resolutions and shall not be counted in the quorum in the voting;
- (iii) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable requirements under the Listing Rules;
- (iv) we are committed that our Board shall include a balanced composition of executive Directors and independent non-executive Directors. We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors: (a) possess sufficient experience; (b) are free of any business or other relationship which could interfere in any

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

material manner with the exercise of their independent judgement; and (c) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole;

- (v) our independent non-executive Directors shall review, on an annual basis, any conflict of interests between our Group and our Controlling Share-holders or their respective close associates, and our Controlling Shareholders shall provide our independent non-executive Directors with all necessary information for consideration. Where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgement, the appointment of such independent professionals will be made at the expense of our Company;
- (vi) we have appointed Red Solar Capital Limited as our compliance advisor to provide us with advice and guidance in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and
- (vii) we have established the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors believe that sufficient corporate governance measures have been/will be put in place to manage conflict of interests that may arise between our Group and our Controlling Shareholders and to protect our Shareholders’ interests as a whole after the [REDACTED].

CONNECTED TRANSACTIONS

OVERVIEW

We will engage in certain transactions with our connected persons after the [REDACTED] which will constitute continuing connected transactions under the Listing Rules.

CONNECTED PERSONS

Upon completion of the [REDACTED], the following persons, with whom we have entered into certain transactions in our ordinary course of business, will become our connected persons as defined under the Listing Rules:

Name of our

connected persons

Connected Relationship

Sunan Shuofang International Airport Co., Ltd.* (蘇南碩放國際機場集團有限公司) (“ Sunan International Airport ”)	as at the Latest Practicable Date, Sunan International Airport is owned as to 58.61% by Sunan Shuofang International Airport Group Co., Ltd.* (蘇南碩放國際機場集團有限公司), which is in turn owned as to 33.3% by Guolian Development Group, our Controlling Shareholder. Accordingly, Sunan International Airport will become an associate of Guolian Development Group and our connected person upon completion of the [REDACTED].
Wuxi Guolian Property Management Co., Ltd.* (無錫國聯物業管理有限責任公司) (“ Guolian Property Management ”)	as at the Latest Practicable Date, Guolian Property Management is wholly owned by Wuxi Guolian Industry Investment Group Co., Ltd.* (無錫國聯實業投資集團有限公司), which is in turn wholly owned by Guolian Development Group, our Controlling Shareholder. Accordingly, Guolian Property Management will become an associate of Guolian Development Group and our connected person upon completion of the [REDACTED].
Gaofa Investment Development Group Co., Ltd.* (無錫市高發投資發展集團有限公司) (“ Wuxi Gaofa ”)	immediately following the completion of the [REDACTED] and assuming that no new Shares are issued under the [REDACTED], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], New Development Group will hold approximately [REDACTED] of our Shares in issue and therefore will be a substantial Shareholder of our Company. New Development Group is in turn wholly-owned by Wuxi Gaofa. Therefore, Wuxi Gaofa will become an associate of New Development Group and our connected person upon completion of the [REDACTED].
Metro Group Co., Ltd.* (無錫地鐵集團有限公司) (“ Metro Group ”)	immediately following the completion of the [REDACTED] and assuming that no new Shares are issued under the [REDACTED], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], Wuxi Metro Technology Service Co., Ltd.* (無錫地鐵科技服務有限公司) (“ Metro Technology ”) will hold approximately [REDACTED] of our Shares in issue and therefore will be a substantial Shareholder of our Company. Metro Technology is in turn wholly-owned by Metro Group. Therefore, Metro Group will become an associate of Metro Technology and our connected person upon completion of the [REDACTED].

CONNECTED TRANSACTIONS

York (China) Commercial Co., Ltd. (約克(中國)商貿有限公司)* (“York Commercial”)	immediately following the completion of the [REDACTED] and assuming that no new Shares are issued under the [REDACTED], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], Tyco Ireland Limited (“Tyco”) will hold approximately [REDACTED] of our Shares in issue and therefore will be a substantial Shareholder of our Company. York Commercial is a subsidiary of Johnson Controls International plc, which is also the holding company of Tyco. Accordingly, York Commercial will become an associate of Tyco and our connected person upon completion of the [REDACTED].
Guolian Finance	as at the Latest Practicable Date, Guolian Finance is held directly and indirectly wholly owned by Guolian Development Group as to 70% and held directly by Huaguang Environment & Energy as to 30%. Guolian Development Group and Huaguang Environment & Energy are our Controlling Shareholders. Accordingly, Guolian Finance will become an associate of Guolian Development Group and our connected person upon completion of the [REDACTED].

SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

			Proposed Annual Caps (RMB Million) for the financial year ending December 31			
Nature of Transactions		Applicable Listing Rules	Waiver Sought	2026	2027	2028
Partially-exempt Continuing Connected Transactions						
Intelligent Energy Operation and Management Agreements	HVAC Energy Renovation Service Agreement Comprehensive Shared Savings Project Agreement Total:	Rules 14A.76(2) and 14A.105	Announcement requirement	9.0	9.0	9.0
				0.5	0.5	0.5
				9.5	9.5	9.5
Construction Services Framework Agreement		Rules 14A.76(2) and 14A.105	Announcement requirement	6.0	9.0	10.0
Equipment Sales Agreement		Rules 14A.76(2) and 14A.105	Announcement requirement	1.8	38.4	1.8
Non-Exempt Continuing Connected Transaction						
Equipment Purchase Framework Agreement . .		Rule 14A.105	Announcement, circular and independent Shareholders’ approval requirements	290.0	320.0	350.0

CONNECTED TRANSACTIONS

Nature of Transactions	Applicable Listing Rules	Waiver Sought	Proposed Annual Caps (RMB Million) for the financial year ending December 31		
			2026	2027	2028
Financial Services Framework Agreement . . .	14A.105	Announcement, circular and independent Shareholders’ approval requirements	<i>Maximum daily outstanding amount of comprehensive credit facility services</i>		
				200.0	200.0
					200.0
			<i>Maximum daily balance of deposits</i>		
				50.0	50.0
			<i>Interest income from deposits</i>		
				0.5	0.5

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the highest applicable percentage ratio of the proposed annual caps for each of the three years ending December 31, 2028 is expected to be above 0.1% but below 5%, the following transactions are exempted from the independent shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules but are subject to the reporting, announcement and annual review requirements.

Intelligent Energy Operation and Management Agreements

During the Track Record Period, we entered into transactions under two intelligent energy operation and management agreements with subsidiaries of Guolian Development Group (“**Intelligent Energy Operation and Management Agreements**”) to provide various intelligent energy operation and management services.

(1) HVAC Energy Renovation Service Agreement

On December 7, 2020, our Company entered into the HVAC energy renovation service agreement with Sunan International Airport (the “**HVAC Energy Renovation Service Agreement**”), the principal terms of which are as follows:

Date: December 7, 2020

Parties: (1) our Company; and
(2) Sunan International Airport

Term: 10 years commencing from date of the agreement

Our obligations and rights: Our Company shall be responsible for the overall renovation and upgrade of the Phase I chiller plant and Phase II plant of Sunan International Airport according to the agreed specifications. During the project term, our Company retains ownership of all equipment it invested in and has the right to use such equipment.

During the construction phase, our Company shall arrange personnel holding the required qualifications to be the supervisor and general project manager of the project, responsible for supervising the overall management of the construction project.

CONNECTED TRANSACTIONS

During the project term, our Company shall bear all the energy costs of the project.

The obligations and rights of Sunan International Airport:

Sunan International Airport shall provide the project site and necessary assets for construction and necessary assistance. Sunan International Airport has the right to supervise the project design, construction quality and project schedule and to raise reasonable suggestions.

Fees and Payment:

Our Company will supply energy to the Sunan International Airport and charge energy service fees in return.

Project Transfer:

When the term of the project expires, our Company will transfer the ownership of the project and all equipment to Sunan International Airport free of charge after it settles all amounts due in full and all energy conserved thereafter will be enjoyed by Sunan International Airport alone.

Pricing Policy

The energy service fees are calculated based on the energy unit price of RMB0.37 per kWh multiplied by the actual energy consumption. The energy unit price is determined based on a “cost-plus” mechanism, in which we estimated the total cost of the project with reference to the investment amount made by our Company to the project, the actual cost of energy, the term of the project as well as historical and estimated energy consumption levels of Sunan International Airport. Such energy unit price is subject to further adjustment based on the latest commercial and industrial energy unit price of Xinwu District, Wuxi City, Jiangsu Province as announced on the website of the State Grid Corporation of China, according to the formula below:

Adjusted energy unit price = original energy unit price x (1 ± percentage change in energy unit price x 60%).

Further, when the annual cumulative energy consumption of the HVAC system (including cooling and heating) reaches 21 million kWh, a tiered pricing mechanism shall apply and the portion of energy consumed above 21 million kWh shall be charged at a discount rate of 10% of the base energy unit price.

The energy service fees shall be paid by Sunan International Airport to our Company on a monthly basis.

Annual caps and determination basis

Our Group estimates that the annual caps under HVAC Energy Renovation Service Agreement for each of the three years ending December 31, 2028 are RMB9.0 million, RMB9.0 million and RMB9.0 million, respectively.

In determining the proposed annual caps under the HVAC Energy Renovation Service Agreement, our Directors have considered a number of factors, including (1) the energy service fees under the HVAC Energy Renovation Service Agreement; and (2) the historical transaction amounts under the HVAC Energy Renovation Service Agreement.

CONNECTED TRANSACTIONS

Historical transaction amounts

The transaction amounts of energy service fees between Sunan International Airport and our Company under the HVAC Energy Renovation Service Agreement for each of the three years ended December 31, 2025 are set out below:

	For the year ended December 31		
	2023	2024	2025
	RMB million	RMB million	RMB million
Transaction amounts of energy service fees between Sunan International Airport and our Company	6.3	8.6	7.9

(2) Comprehensive Shared Savings Project Agreement

On April 2019, our Company entered into the comprehensive shared savings project agreement with Guolian Property Management (“**Comprehensive Shared Savings Project Agreement**”), the principal terms of which are as follows:

Date: April 26, 2019

Parties: (1) our Company; and
(2) Guolian Property Management

Project term: 10 years, subject to two years adjustment period

Our obligations and rights: Our Company shall be responsible for implementing energy conservation retrofitting and investment to Guolian Property Management’s air-conditioning system, waste heat recovery system, kitchen stoves and kitchen exhaust fan energy-saving system, and lighting system according to the agreed specifications. After the construction of the project, the project shall be operated for a period of 10 years, during which we are entitled to energy service fees based on actual energy conserved.

The obligations and rights of our customers: Guolian Property Management shall provide the project site, necessary utilities including water and power for construction and necessary assistance. Guolian Property Management is responsible for handling relevant permits and approvals.

Maintenance: After the construction is completed, we are responsible for the daily operation and maintenance of the project for the first five years of the project term, whereas Guolian Property Management shall be responsible for the daily operation and maintenance of the project for the remaining period of the project term.

Termination: The contract may be terminated by mutual agreement, due to force majeure clause, or if one party commits a material breach and fails to remedy it within a specified period after receiving notice.

CONNECTED TRANSACTIONS

Pricing Policy

The energy service fees we are entitled to under the Comprehensive Shared Savings Project Agreement is RMB4.3 million.

The energy service fees is determined by reference to (1) the estimated energy conserved per year of RMB477,800 per year; (2) the project term of 10 years; and (3) the agreed proportion of actual energy conserved to which we are entitled to charge energy service fees of 90%. The agreed proportion of actual energy conserved to which we are entitled to is determined by reference to our the investment amount made by our Company to the project as well as the estimated total energy saved of the project.

Should the actual energy conserved is less than the estimated energy saved causing the energy service fees to which we are entitled to be less than RMB4.3 million, the project term shall be extended for not more than two years until the energy service fees we are entitled to amounts to RMB4.3 million.

Annual caps and determination basis

Our Group estimates that the annual caps under the Comprehensive Shared Savings Project Agreement for each of the three years ending December 31, 2028 are RMB0.5 million, RMB0.5 million and RMB0.5 million, respectively.

In determining the proposed annual caps under the Comprehensive Shared Savings Project Agreement, our Directors have considered a number of factors, including (1) the estimated energy service fees to be received by our Company under the Comprehensive Shared Savings Project Agreement; and (2) the historical transaction amounts under the Comprehensive Energy-Conserved Project Agreement.

Historical transaction amounts

The transaction amounts of energy service fees between Guolian Property Management and our Company under the Comprehensive Shared Savings Project Agreement for each of the three years ended December 31, 2025 are set out below:

	For the year ended December 31		
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Transaction amounts of energy service fees between our Company and Guolian Property Management	0.4	0.4	0.4

Reasons for entering into the Intelligent Energy Operation and Management Agreements

Our Group operates intelligent energy operation and management projects under the energy hosting model and shared savings model as our major business lines and within our ordinary course of business. Our Directors are of the view that the price and terms offered by our Group under the Intelligent Energy Operation and Management Agreements are fair and reasonable and not less favorable to those offered by our Group to Independent Third Parties.

CONNECTED TRANSACTIONS

Implications under the Listing Rules

As the transactions contemplated under the Intelligent Energy Operation and Management Agreements were entered into with parties who are connected with each other and were of the same nature, the transactions under the Intelligent Energy Operation and Management Agreements shall be aggregated for the purpose of classification of connected transactions in accordance Rule 14A.81 of the Listing Rules.

As required by Rule 14A.52 of the Listing Rules, the period for the agreement for a continuing connected transaction must not exceed three years, except in special circumstances where the nature of the transaction requires a longer period. Our Directors are of the view that the term of each of the Intelligent Energy Operation and Management Agreements of a duration longer than three years is necessary given the nature of intelligent energy operation and management projects under the energy hosting model and shared savings model. Frost & Sullivan, our independent industry consultant, also confirmed that intelligent energy operation and management projects under the energy hosting model typically have a term ranging from five to twenty years, whereas intelligent energy operation and management projects under the shared savings model typically have a term ranging from five to fifteen years and hence a term of more than three years is within normal business practice. As such, our Directors are of the view, and the Joint Sponsors concur, that entering into the Intelligent Energy Operation and Management Agreements are beneficial to our Shareholders as a whole and is in line with normal business practice.

Construction Services Framework Agreement

During the Track Record Period, we have provided various construction services (the “**Construction Services**”) to Wuxi Gaofa and its subsidiaries (“**Wuxi Gaofa Group**”) and we expect to continue to do so after the [REDACTED]. On [•], our Company entered into the construction services framework Agreement with Wuxi Gaofa (the “**Construction Services Framework Agreement**”), in relation to the provision by our Group of Construction Services to Wuxi Gaofa Group. Our Group and Wuxi Gaofa Group will enter into specific purchase agreements in respect of each transaction pursuant to the terms of the Construction Services Framework Agreement.

The principal terms of the Construction Services Framework Agreement are as follows:

<i>Date:</i>	[•]
<i>Parties:</i>	(1) our Company (for ourselves and on behalf of our subsidiaries); and (2) Wuxi Gaofa (for itself and on behalf of its subsidiaries)
<i>Duration:</i>	From the [REDACTED] to December 31, 2028
<i>Description of transaction:</i>	Our Group provides Construction Services to Wuxi Gaofa Group.
<i>Settlement Terms:</i>	Wuxi Gaofa Group will pay the corresponding amount by telegraphic transfer or by other methods agreed by both parties.

CONNECTED TRANSACTIONS

Pricing policy

Fees for Construction Services is based on a “cost-plus” mechanism. Before the commencement of the project, our team shall conduct a preliminary site inspection in which we shall estimate the required work done and associated costs and expenses. We then charge Wuxi Gaofa Group an additional margin generally ranging from 5% to 20% of the necessary costs and expenses depending on the project type, duration and required work done of the relevant project.

Annual caps and determination basis

Our Group estimates that the annual caps under the Construction Services Framework Agreement for each of the three years ending December 31, 2028 are RMB6.0 million, RMB9.0 million and RMB10.0 million, respectively.

In determining the proposed annual caps under the Construction Services Framework Agreement, our Directors have taken into account a number of factors, including (1) historical transaction amounts; (2) the number of existing intelligent energy operation and management projects and intelligent energy efficiency projects between Wuxi Gaofa and our Group which remain uncompleted for each of the three years ending December 31, 2028; and (3) estimated new intelligent energy operation and management projects and intelligent energy efficiency projects to be entered into by our Group and Wuxi Gaofa Group for each of the three years ending December 31, 2028; and (4) our Group’s business development.

Historical transaction amounts

The transaction amounts between Wuxi Gaofa Group and our Group for our provision of the Construction Services for each of the three years ended December 31, 2025 are set out below:

	For the year ended December 31		
	2023	2024	2025
	RMB million	RMB million	RMB million
Transaction amounts between Wuxi Gaofa Group and our Group for provision of Construction Services	3.3	0.1	14.6

Reasons for the transaction

Our Group provides construction services under the intelligent energy operation and management business and intelligent energy efficiency solutions business lines. Given that the price and terms for the provision of Construction Services by us to Wuxi Gaofa Group are no less favorable than those offered by us to Independent Third Parties, our Directors believe that the provision of Construction Services to Wuxi Gaofa Group will contribute to our overall revenue and benefit our Group and Shareholders as a whole.

Equipment Sales Agreement

On November 2025, our Company entered into an equipment sales agreement with Metro Group (“**Equipment Sales Agreement**”), the principal terms of which are as follows:

Date: November 30, 2025

Parties: (1) Our Company; and

CONNECTED TRANSACTIONS

(2) Metro Group

Duration: From November 30, 2025 to June 30, 2028

Description: In relation to the construction project in 24 metro stations on line 5 of the Wuxi metro, our Company shall supply various hydronic balancing equipment including water-chiller units (with evaporative condenser units), cooling towers, modular air handling units, chilled/cooling water pumps, electric butterfly valves, energy valves, fan coil units, high-efficiency air conditioning systems and other associated equipment as well as provide other related services to Metro Group.

The equipment to be supplied by our Company to Metro Group shall be supplied in batches. Metro Group shall notify our Company the type and amount of equipment to be supplied in each batch.

Warranty: The warranty period shall be two years from the commencement of operation of line 5 of the Wuxi metro line. If any equipment to be sold by our Company under the Equipment Sales Agreement is found to be defective during the warranty period, our Company shall be liable for repairment and replacement of the equipment, unless such defect is caused as a result of Metro Group’s non-compliance with the maintenance procedures as provided by our Company.

Packaging: Our Company shall be responsible for the packaging of the equipment to be supplied under the Equipment Sales Agreement. The equipment supplied shall be properly packaged in accordance with the relevant standards as stipulated in the Equipment Sales Agreement.

Other related services: Our Company shall provide other on-site ancillary technical services including equipment recommendation and consultation services as well as training services to Metro Group free of charge.

Our Company shall arrange qualified personnel at the premises of Metro Group for the provision of such related services in accordance to the requirements of the Equipment Sales Agreement.

Transportation: Our Company shall bear all costs for transporting the equipment to be supplied to the designated location of Metro Group, and shall be responsible for handling all transportation matters. All related costs are deemed to be included in the contract price of the Equipment Sales Agreement.

Payment terms: Upon execution of the Equipment Sales Agreement, Metro Group shall pay 10% of the total contract value of the Equipment Sales Agreement within 30 days.

CONNECTED TRANSACTIONS

For each batch of equipment delivered, Metro Group shall pay up to 50% of the purchase price within 30 days of delivery of the equipment and preliminary inspection.

Metro Group shall then pay:

- (1) up to 85% of the total contract value within 30 days of execution of inspection report;
- (2) up to 97% of the approved settlement amount within 30 days upon confirmation of completion of the construction project in 24 metro stations on line 5 of the Wuxi metro; and
- (3) the remaining 3% of the approved settlement amount within 30 days upon the expiration of the warranty period.

Transfer of rights:

Unless expressly agreed by Metro Group, our Company shall not transfer our rights and obligations under the Equipment Sales Agreement to any third party

Insurance:

Our Company shall purchase reasonable insurance for its obligations under the Equipment Sales Agreement, including the manufacturing, purchase, transport and delivery of equipment.

Pricing policy

The price of equipment to be supplied by our Company to Metro Group is based on a “cost-plus” mechanism. Our Company will estimate the cost of equipment based on the quotations provided by the relevant suppliers, and charge Metro Group an additional margin generally ranging from 5% to 10% of the necessary costs and expenses depending on the quantity of equipment to be supplied, the payment and delivery terms negotiated and the credit rating of the counterparty.

Annual caps and determination basis

Our Company estimates that the annual caps under the Equipment Sales Agreement for each of the three years ending December 31, 2028 are RMB1.8 million, RMB38.4 million and RMB1.8 million, respectively.

In determining the proposed annual caps under the Equipment Sales Agreement, our Directors have taken into account a number of factors, including the (1) total contract value of the Equipment Sales Agreement of RMB36.6 million; (2) the estimated construction progress of the construction project in 24 metro stations on line 5 of the Wuxi metro of each of the three years ending December 31, 2028, in particular, it is expected that substantially all of equipment to be supplied by our Company to Metro Group will be completed and the total contract value of the Equipment Sales Agreement shall be recognized by our Company in the year ending December 31, 2027; and (3) a buffer of approximately RMB1.8 million, amounting to approximately 5% of the contract value of the Equipment Sales Agreement, to cater for the potential increase in demand for equipment by Metro Group.

Historical transaction amounts

The amount paid by Metro Group to our Company for sales of equipment under the Equipment Sales Agreement amounted to nil for each of the three years ended December 31, 2025, respectively.

CONNECTED TRANSACTIONS

Reasons for the transaction

As a means of complementing and diversifying our service offerings, we generate revenue through the sale of equipment as an ancillary part of our business. Given that the price and terms for the supply of equipment by us to Metro Group are no less favorable than those offered by us to Independent Third Parties, our Directors believe that the supply of equipment to Metro Group will contribute to our overall revenue and benefit our Group and Shareholders as a whole.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the highest applicable percentage ratio of the proposed annual caps for each of the three years ending December 31, 2028 is expected to be above 5%, the following transactions are subject to the reporting, announcement, independent Shareholders’ approval and annual review requirements under the Listing Rules.

Equipment Purchase Framework Agreement

During the Track Record Period, we procured chillers, control systems and other equipment and ancillary services (the “**Equipment**”) to be used in our business and we expect to continue to do so after the [REDACTED]. On [•], our Company entered into the equipment purchase framework agreement with York Commercial (the “**Equipment Purchase Framework Agreement**”), in relation to the purchase by our Group of the Equipment from York Commercial and its associates (“**York Commercial Group**”). Our Group and York Commercial Group will enter into specific purchase agreements in respect of each transaction pursuant to the terms of the Equipment Purchase Framework Agreement.

The principal terms of the Equipment Purchase Framework Agreement are as follows:

<i>Date:</i>	[•]
<i>Parties:</i>	(1) our Company (for ourselves and on behalf of our subsidiaries); and (2) York Commercial (for itself and on behalf of its associates)
<i>Duration:</i>	From the [REDACTED] to December 31, 2028
<i>Description of transaction:</i>	Our Group purchases Equipment from York Commercial Group.
<i>Maintenance Services:</i>	Our Group shall procure maintenance services pursuant to Equipment Framework Agreement, provided that the provision of such maintenance services by York Commercial Group are of fair value.
<i>Settlement Terms:</i>	Our Group will pay the corresponding amount by methods agreed by both parties.

CONNECTED TRANSACTIONS

Pricing policy

Our procurement department will obtain quotation from York Commercial for each purchase and compare the quotations of similar products from at least two other Independent Third Party suppliers to confirm the market price of Equipment before placing a purchase order(s) with York Commercial.

The price and terms provided by York Commercial are fair and reasonable, on normal commercial terms as compared to those provided by Independent Third Parties to our Group. Our Directors believe that through the price and terms provided by York Commercial under the Equipment Purchase Framework Agreement being similar to those provided by at least two other Independent Third Party suppliers, it can be ensured that the relevant price and terms will be on normal commercial terms, and will not prejudice the interests of our Company and our Shareholders as a whole.

Annual caps and determination basis

Our Group estimates that the annual caps under the Equipment Purchase Framework Agreement for each of the three years ending December 31, 2028 are RMB300 million, RMB330 million and RMB350 million, respectively.

In determining the proposed annual caps under the Equipment Purchase Framework Agreement, our Directors have taken into account a number of factors, including (1) historical transaction amounts; (2) the number of existing intelligent energy operation and management projects and intelligent energy efficiency projects which remain uncompleted for each of the three years ending December 31, 2028; (3) estimated new intelligent energy operation and management projects and intelligent energy efficiency projects to be entered into by our Group for each of the three years ending December 31, 2028; (4) the estimated amount of Equipment to be sold by our Group for each of the three years ending December 31, 2028; and (5) our Group’s business development.

Historical transaction amounts

The transaction amounts between our Group and York Commercial Group for the purchase of Equipment for each of the three years ended December 31, 2025 are set out below:

	For the year ended December 31		
	2023	2024	2025
	RMB million	RMB million	RMB million
Transaction amounts between our Group and York Commercial Group for purchase of Equipment.	255.6	38.6	110.6

Reasons for the transaction

Our Group sources Equipment such as chillers to be used in our intelligent energy and management operation projects and intelligent energy efficiency projects. In addition, as a means to complementing and diversifying our service offerings, we also sell Equipment as an ancillary part to our business. Given that (1) we maintained a stable and trusting business relationship with York Commercial; and (2) York Commercial is a subsidiary of Johnson Controls International plc, an international corporation in thermal management, mission-critical building systems, energy efficiency and decarbonization, we believe it is in the best interests of our Group and our Shareholders as a whole to continue to purchase Equipment from York Commercial Group after the [REDACTED].

CONNECTED TRANSACTIONS

Financial Services Framework Agreement

During the Track Record Period, Guolian Finance has provided various financial services for our business operations. On [•], we entered into the financial services framework agreement with Guolian Finance (the “**Financial Services Framework Agreement**”) in relation to the provision of financial services by Guolian Finance to our Group. Our Group and Guolian Finance will enter into specific agreements in respect of each transaction pursuant to the terms of the Financial Services Framework Agreement.

The principal terms of the Financial Services Framework Agreement are as follows:

<i>Date:</i>	[•]
<i>Parties:</i>	(1) Our Company (as borrower) (for ourselves and on behalf of our subsidiaries); and (2) Guolian Finance (as lender)
<i>Term:</i>	From the [REDACTED] to December 31, 2028
<i>Services:</i>	Under the Financial Services Framework Agreement, Guolian Finance shall provide financial services to our Group including comprehensive credit facility and deposit services. During the term of the Financial Services Framework Agreement, the parties may enter into one or multiple separate agreements specifying the specific terms of each financial service transaction.
<i>Interest rate:</i>	The interest rate of each drawdown with respect to comprehensive credit facility services and the interest rate for our deposits shall be specified in the specific agreement.
<i>Collateral:</i>	With respect to comprehensive credit facility services provided by Guolian Group to our Group, our Group shall pledge its accounts receivables to Guolian Finance as collateral for each drawn down under the Financial Services Framework Agreement.

Pricing Policy

With respect to comprehensive credit facility services, the interest rate shall generally not be higher than the interest rates offered by normal commercial banks for similar services, and is determined through arm’s-length negotiations between our Company and Guolian Finance, with reference to the following: (1) the prevailing Loan Prime Rate (LPR) published by the national interbank funding centre, at the time the loan is provided by Guolian Finance to our Company; (2) if applicable, an interest premium or discount to be determined on a case-by-case basis, provided that the effective interest rate shall be on normal commercial terms or better; and (3) the interest rates ranging from approximately 2.5% to 4.0% in respect of the loan obtained by our Company from the major commercial banks in China as of the Latest Practicable Date, all of which were Independent Third Parties.

With respect to deposit services, the interest rates for our deposits shall not be lower than the interest rates offered by normal commercial banks for similar services.

CONNECTED TRANSACTIONS

Before entering into transactions under the Financial Services Framework Agreement, we shall seek quotations from not less than two independent commercial banks or financial institutions for comparison and ensure that the terms offered by Guolian Finance to us are not less favorable as compared to the terms offered by the aforesaid independent commercial banks or financial institutions.

Annual caps and determination basis

Set out below are the proposed annual caps for the transactions under the Financial Services Framework Agreement for the three years ending December 31, 2028:

	For the year ending December 31		
	2026	2027	2028
	RMB million	RMB million	RMB million
Maximum daily outstanding amount (inclusive of principal and interest) of comprehensive credit facility services extended to our Group by Guolian Finance.	200.0	200.0	200.0
Maximum daily balance of deposits advanced by our Group to Guolian Finance	50.0	50.0	50.0
Interest income received by our Group in respect of deposits advanced by our Group to Guolian Finance.	0.5	0.5	0.5

In determining the annual caps in relation to comprehensive credit facility services, our Directors have considered a number of factors, including (1) our Group’s demand for credit facility over the past three years and the maturity profile of existing credit facility over the next three years; (2) our Company’s cash and cash equivalents of RMB137.4 million as at December 31, 2025; (3) our Group’s expected needs for routine financing for the three years ending December 31, 2028; (4) the operating cash flow to be generated based on the overall business scale of our Group for the three years ending December 31, 2028.

In determining the annual caps in relation to deposits advanced by our Group to Guolian Finance, our Directors considered a number of factors, including: (i) the historical daily deposit balances during the Track Record Period; (ii) our Group’s future development plan and business growth; and (iii) the amount of idle funds expected to be deposited with Guolian Finance after the [REDACTED].

In determining the annual caps in relation to interest income to be received by our Group from Guolian Finance, our Directors considered a number of factors, including (1) historical interest income received from Guolian Finance; and (2) the amount of idle funds expected to be deposited with Guolian Finance after the [REDACTED].

Historical transaction amounts

The maximum daily outstanding amount (inclusive of principal and interest) extended to our Group by Guolian Finance for each of the three years ended December 31, 2025 are set out below:

	For the year ended December 31		
	2023	2024	2025
	RMB million	RMB million	RMB million
Maximum daily outstanding amount (inclusive of principal and interest) of comprehensive credit facility services extended to our Group by Guolian Finance.	199.7	267.3	244.9
Maximum daily balance of deposits advanced by our Group to Guolian Finance	73.5	63.0	44.1
Interest income received by our Group in respect of deposits advanced by our Group to Guolian Finance.	0.6	0.4	0.3

CONNECTED TRANSACTIONS

Internal control in relation to financial services

In order to safeguard the interests of our Company and our Shareholders as a whole, we have adopted certain measures for monitoring the transactions contemplated under the Financial Services Framework Agreement, for so long as the transactions constitute continuing connected transactions of our Company:

- (i) our finance department will monitor the aggregate daily outstanding amount (inclusive of principal and interest) of comprehensive credit facility services and maximum daily balance of deposits on a daily basis and the interest income from deposits advanced by Guolian Finance to our Group to ensure that the aggregate daily outstanding amount for comprehensive credit facility services owed to Guolian Finance, aggregate daily balance of deposits advanced to Guolian Finance and aggregate interest income from such deposits do not exceed the applicable annual caps;
- (ii) our finance department will report to the management of our Company and provide updates on the credit facility arrangements with Guolian Finance on a monthly basis. In addition, if the aggregate daily outstanding amount (inclusive of principal and interest) is expected to exceed the applicable annual caps, our finance department shall inform the management of our Company in a timely manner who will arrange for credit services with other financial institutions;
- (iii) our Group has also opened accounts with independent banks. If the balance of our Group deposited in the account with Guolian Finance at the end of any day is about to exceed the maximum daily balance of deposits, the excess funds will be transferred to our Group’s bank accounts with an independent commercial bank;
- (iv) in accordance to the articles of association of Guolian Finance, should Guolian Finance experience urgent financial difficulties, it shall require Guolian Development Group to provide sufficient funds and report to the relevant authorities; and
- (v) the independent non-executive Directors and auditor of our Company will conduct an annual review with respect to the continuing connected transactions conducted by our Group throughout the preceding financial year (including the transactions contemplated under the Financial Services Framework Agreement) and will provide annual confirmations pursuant to the requirements under the Listing Rules to ensure that the continuing connected transactions (including the transactions contemplated under the Financial Services Framework Agreement) are in accordance with the terms of the Financial Services Framework Agreement, on normal commercial terms and are fair and reasonable.

Reasons for the transaction

We have established a long and stable relationship with Guolian Finance. Given that (1) the interest rates on comprehensive credit facility services and deposits offered by Guolian Finance will be on normal commercial terms or better and are similar to the interest rates of loans of similar maturity offered by Independent Third Party commercial banks or financial institutions; and (2) the transactions contemplated under the Financial Services Framework Agreement is mutually beneficial to both parties and it does not limit our Group’s choice in obtaining loans from any other banks or financial institutions to satisfy our financial needs, our Directors consider it would be conducive for us to continue our co-operation with Guolian Finance.

CONNECTED TRANSACTIONS

WAIVERS FROM THE STOCK EXCHANGE

As the major terms of the partially-exempt and non-exempt continuing connected transactions have been disclosed in this document, and we expect such partially-exempt and non-exempt continuing connected transactions to continue after our [REDACTED], our Directors are of the view that strict compliance with the announcement requirement under the Listing Rules would not be practical and would constitute an onerous burden and result in unnecessary administrative cost to our Company.

Therefore, pursuant to Rule 14A.105 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver to exempt (i) transactions set out in “Partially-Exempt Continuing Connected Transactions” in this section from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules; and (ii) transactions set out in “Non-Exempt Continuing Connected Transactions” in this section from strict compliance with the requirements on announcement, circular and independent Shareholders’ approval under Chapter 14A of the Listing Rules. Our Directors confirm that we shall comply with the relevant requirements under Chapter 14A of Listing Rules upon [REDACTED], apart from the requirements pursuant to which waiver was sought under Rule 14A.105 of the Listing Rules.

CONFIRMATION OF DIRECTORS

Our Directors, including our independent non-executive Directors, are of the view that the partially-exempt and non-exempt continuing connected transactions seeking exemption above have been and will be conducted in the ordinary and usual course of business of our Group. Our Directors further confirmed that the abovementioned partially-exempt and non-exempt continuing connected transactions have been and will be conducted on normal commercial terms in a fair and reasonable way and in the interests of our Company and our Shareholders as a whole. All the above proposed annual caps for the relevant partially-exempt and non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION OF THE JOINT SPONSORS

Having reviewed the relevant information and historical data prepared and provided by our Group in relation to the partially-exempt and non-exempt continuing connected transactions mentioned above and having exercised due diligence through discussion of those transactions with the Company, the Joint Sponsors are of the view that: (i) the partially-exempt and non-exempt continuing connected transactions disclosed above have been and will be conducted in the ordinary and usual course of business of the Group on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the above proposed annual caps for the relevant partially-exempt and non-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

Our Company has implemented or will implement the following internal control measures and corporate governance measures to closely monitor the connected transactions and to ensure compliance of the relevant requirements of the Listing Rules in the future:

- (i) we have in place a connected transactions management policy for the purpose of ensuring that connected transactions will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole;

CONNECTED TRANSACTIONS

- (ii) the finance team of our Group shall regularly examine the pricing of the transactions under the continuing connected transactions to ensure that those transactions are conducted in accordance with the pricing terms therein;
- (iii) the internal control team of our Group shall periodically review the pricing of the transactions under the continuing connected transactions against the prices negotiated between our Group and Independent Third Parties for similar transactions, to ensure that the terms of the underlying agreements for the continuing connected transactions are not less favorable to our Group than terms between our Group and the Independent Third Parties;
- (iv) the finance and business department of our Group will be informed of the amount of the proposed annual caps of the continuing connected transactions and shall periodically monitor the transaction amount. When it is expected that the transaction amount might exceed the proposed annual caps, they shall promptly report the same in accordance with our Group’s connected transactions management policy to ensure that our Company complies with all the applicable requirements under the Listing Rules, including to revise the relevant annual cap when appropriate;
- (v) the legal team of our Group has reviewed the terms of the relevant agreements for our continuing connected transactions and shall in case of any proposed change to the major terms of the transactions, ensure that our Company complies with all the applicable requirements under the Listing Rules, including but not limited to publishing an announcement;
- (vi) training will be organized regularly and compliance guidance and materials will be circulated on a regular basis to staff responsible for handling connected transactions so as to remind and refresh their knowledge and understanding on the requirements of the Listing Rules, especially the rules on connected transactions;
- (vii) the management of our Company will be provided with a list of the connected persons of our Company, which will be updated on a regular basis; and
- (viii) our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and
- (ix) we will comply with applicable requirements under Chapter 14A of the Listing Rules in relation to continuing connected transactions and, pursuant to which, comply with the conditions set out in the waiver in respect of continuing connected transactions submitted to the Stock Exchange.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board consists of 12 Directors, including three executive Directors, five non-executive Directors and four independent non-executive Directors. Our Board serves a term of three years and is responsible and has general powers for the management and conduct of our business.

The table below sets out certain information of our Directors.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>	<u>Date of appointment as Director</u>	<u>Date of joining our Group</u>	<u>Role and responsibilities</u>
Mr. Huang Yi (黃毅)	45	Executive Director and chairman of our Board	April 18, 2024	April 2024	Responsible for coordinating decision-making and overseeing implementation on behalf of our Board
Mr. Heng Size (衡思澤) . .	54	Executive Director and general manager	October 25, 2024	April 2018	Responsible for daily operations and overall performance of our Group
Ms. Li Peipei (李培培) . . .	44	Executive Director, employee representative Director and financial director	April 22, 2026	April 2018	Responsible for financial management of our Group
Ms. Tang Lin (唐琳)	38	Non-executive Director	April 16, 2025	April 2025	Responsible for providing guidance for the overall development of our Group
Ms. Ding Zhuoya (丁卓婭) .	42	Non-executive Director	April 16, 2025	April 2023	Responsible for providing guidance for the overall development of our Group
Mr. Wang Hong (王洪) . . .	49	Non-executive Director	August 31, 2022	August 2022	Responsible for providing guidance for the overall development of our Group
Ms. Wang Ying (王瑛) . . .	42	Non-executive Director	June 26, 2025	June 2025	Responsible for providing guidance for the overall development of our Group
Ms. Han Song (韓頌)	60	Non-executive Director	February 2, 2024	February 2024	Responsible for providing guidance for the overall development of our Group
Mr. Du Kai (杜垚)	70	Independent non-executive Director	[REDACTED]	[REDACTED]	Responsible for providing independent advice and judgment to the Board
Ms. Lo Bo Yee (勞寶儀) . .	55	Independent non-executive Director	[REDACTED]	[REDACTED]	Responsible for providing independent advice and judgment to the Board

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Role and responsibilities
Mr. Zhang Peng (章凡) . . .	62	Independent non-executive Director	[REDACTED]	[REDACTED]	Responsible for providing independent advice and judgment to the Board
Mr. Xu Hongqing (徐宏慶)	62	Independent non-executive Director	[REDACTED]	[REDACTED]	Responsible for providing independent advice and judgment to the Board

None of our Directors has any relationship with other Directors, Supervisors and senior management of our Group.

The following sets forth the biographies of our Directors:

Executive Directors

Mr. Huang Yi (黃毅), aged 45, is the chairman of our Board and an executive Director and is primarily responsible for coordinating decision-making and overseeing implementation on behalf of our Board. He was appointed as our Director on April 18, 2024, the chairman of our Board on April 30, 2024 and was designated as our executive Director on April 22, 2026 (effective upon [REDACTED]).

Mr. Huang has about 20 years of experience working in engineering design companies. Prior to joining our Group, he was the head of the investment and development department of Huaguang Environment & Energy from February 2022 to March 2024, where he was primarily responsible for investment and development. He worked at Huaxin Design Group Co., Ltd.* (華昕設計集團有限公司) from November 2008 to January 2022. He worked at Wuxi Transportation Planning and Design Research Institute Co., Ltd.* (無錫市交通規劃設計研究院有限公司) from September 2004 to July 2007.

Mr. Huang was the deputy general manager of Huaguang Environment & Energy from April 2024 to April 2026, where he was primarily responsible for management of investment sectors and subsidiaries.

Mr. Huang obtained his bachelor’s degree in civil engineering from Chongqing Jiaotong College (重慶交通學院)(now known as Chongqing Jiaotong University (重慶交通大學)) in June 2004.

Mr. Huang obtained the qualification of senior engineer issued by Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in December 2016.

Mr. Heng Size (衡思澤), aged 54, is our executive Director and general manager and is primarily responsible for daily operations and overall performance of our Group. He has been our general manager since April 2018, and was appointed as our Director on October 25, 2024 and designated as our executive Director on April 22, 2026 (effective upon [REDACTED]).

Mr. Heng has over 25 years of experience in the heating, ventilation and air conditioning (“HVAC”). He worked at York (China) Commercial Co., Ltd.* (約克(中國)商貿有限公司) as the China service director from July 2015 to April 2018, as the general manager of the Southwest region from October 2014 to July 2015, as the regional manager from January 2013 to October 2014, as the office manager from September 2010 to January 2013 and as various sales related management positions from March 1999 to September 2010.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Heng has been the executive director of each of Shanghai Enjie and Guolian Green Science Trading since their respective establishments in January 2019 and October 2025. He has been the chairman of the board of Guangdong Haiborui since it was acquired by the Company in November 2025. He was the executive director and general manager of Wuxi Haiborui since March 2026, the director of Qinghuangdao Taili from September 2018 to February 2026, and the executive director of Yangzhou Energy from July 2021 to November 2023.

Mr. Heng obtained his bachelor’s degree in heating, ventilation and air conditioning from Hengyang Institute of Technology (衡陽工學院)(now known as University of South China (南華大學)) in June 1993 and his degree of executive master of business administration from Sichuan University (四川大學) in December 2016.

Mr. Heng was the supervisor of the following company prior to its dissolution, the details of which are set out below:

<u>Name of company</u>	<u>Nature of business</u>	<u>Place of incorporation</u>	<u>Reason for dissolution</u>	<u>Date of dissolution</u>	<u>Means of dissolution</u>
Chengdu Changsheng Environmental Equipment Engineering Co., Ltd.* (成都長盛環境設備工程有限公司).....	Electromechanical equipment production	PRC	Cessation of business	November 24, 2005	Revocation

Mr. Heng confirmed that, to the best of his knowledge, (i) he was the supervisor of the above-mentioned company and did not involve in the daily management of such company; (ii) the above-mentioned company did not, from the date of its incorporation up to the date of its revocation, cause any liability or obligation, or potential liability or obligation, which shall be borne by him, nor did it involve him in any material litigation or legal proceeding, or potential litigation or legal proceeding, in any jurisdiction; (iii) the above-mentioned company had ceased operations and was solvent immediately prior to its revocation, and all its debts have been fully repaid; and (iv) such revocation was not caused by his own misconduct or omission, and he did not commit any illegal act or omission in the process of such revocation, and is not aware of any actual or potential claim against him arising from such revocation.

Ms. Li Peipei (李培培), aged 44, is our executive Director, employee representative Director and financial director and is primarily responsible for financial management of our Group. She has been our financial director since April 2018 and was appointed as our employee representative Director on April 22, 2026. She was designated as our executive Director on April 22, 2026 (effective upon [REDACTED]).

Ms. Li has over 8 years of experience in accounting and finance. Prior to joining our Group, she worked at Huaguang Environment & Energy from August 2015 to April 2018. She worked at Wuxi Zhongyi Industrial Development Group Co., Ltd.* (無錫中益產業發展集團股份有限公司) from February 2012 to July 2015, and Ganzhi Group Co., Ltd.* (感知集團有限公司) from March 2011 to August 2011. She worked at Jiangsu Dagong Tax Agent Co., Ltd.* (江蘇大公稅務師事務所有限公司) from October 2008 to February 2011.

Ms. Li has been the director of Xinfu Zhilian since its establishment in July 2020. She has been the financial controller of each of Guolian Green Science Trading and Shanghai Enjie since their respective establishments in October 2025 and January 2019. She has been the director and financial controller of Guangdong Haiborui since it was acquired by the Company in November 2025.

Ms. Li obtained her bachelor’s degree in accounting from Shandong Normal University (山東師範大學) in January 2008.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Li has been a non-practising member of the Chinese Institute of Certified Public Accountants since December 2009. She obtained the qualification of international registered internal auditor issued by the China Institute of Internal Audit with authorization from the Institute of Internal Auditors in November 2011. She obtained the qualification of registered tax agent and certified public valuer issued by the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部) in June 2008 and September 2013, respectively. She obtained the qualification of senior accountant issued by Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in August 2024.

Non-executive Directors

Ms. Tang Lin (唐琳), aged 38, is our non-executive Director and is primarily responsible for providing guidance for the overall development of our Group. She was appointed as our Director on April 16, 2025 and was designated as our non-executive Director on April 22, 2026 (effective upon [REDACTED]).

Ms. Tang has over 10 years of experience in auditing, internal control and financial management. Prior to joining our Group, she worked at Suzhou Technology Institute for Nanotech Industry Co., Ltd.* (蘇州工業園區納米產業技術研究院有限公司) from February 2016 to February 2020, where she was primarily responsible for audit works. She worked at Widex Sivantos Hearing Technology (Suzhou) Co., Ltd.* (唯聽西萬拓聽力技術(蘇州)有限公司) from February 2014 to February 2016. She worked at CSI Solar Co., Ltd.* (阿特斯陽光電力集團股份有限公司), a company listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688472), from August 2010 to February 2014.

Ms. Tang has been working at Huaguang Environment & Energy since January 2020 successively as internal control manager, deputy head of the audit department and head of the audit department, with her last position as head of the finance department since September 2025, where she is primarily responsible for finance management.

Ms. Tang obtained her bachelor’s degree in auditing from Nanjing Audit University (南京審計大學) in June 2010.

Ms. Tang obtained the qualification of certified internal auditor issued by the China Institute of Internal Audit with authorization from the Institute of Internal Auditors in March 2019.

Ms. Ding Zhuoya (丁卓姪), aged 42, is our non-executive Director and is primarily responsible for providing guidance for the overall development of our Group. She was our Supervisor from April 2023 to April 2025. She was appointed as our Director on April 16, 2025 and was designated as our non-executive Director on April 22, 2026 (effective upon [REDACTED]).

Ms. Ding has over 15 years of experience in the environmental and energy industry. She has successively been the manager, deputy head and head of the strategic assets department of Huaguang Environment & Energy since January 2011.

Ms. Ding obtained her bachelor’s degree in biological sciences from Beijing Forestry University (北京林業大學) in July 2005 and her master’s degree in botany from Beijing Institute of Botany, Chinese Academy of Sciences (中國科學院植物研究所) in March 2010.

Mr. Wang Hong (王洪), aged 49, is our non-executive Director and is primarily responsible for providing guidance for the overall development of our Group. He was appointed as our Director on August 31, 2022 and was designated as our non-executive Director on April 22, 2026 (effective upon [REDACTED]).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wang has about 14 years of experience in the urban construction and engineering industry. He has been the head of the project management department of Wuxi High-tech Zone Urban Construction Service Group Co., Ltd.* (無錫市高新區城市建設服務集團有限公司) since July 2024. He worked at Wuxi New Development Group Co., Ltd.* (無錫市新發集團有限公司) as the head of the project management department from October 2022 to June 2024, as deputy head of the project management department from March 2017 to March 2020 and as assistant to the head of the project management department from March 2012 to March 2017. He was the deputy general manager of Wuxi New Development Huirong Real Estate Co., Ltd.* (無錫市新發匯融置業有限公司) from March 2020 to October 2022.

Mr. Wang has been the director of Xinfu Zhilian since April 2022.

Mr. Wang obtained his bachelor’s degree in construction engineering from Northwest Institute of Architecture and Civil Engineering (西北建築工程學院)(now known as Chang’an University (長安大學)) in July 1999.

Mr. Wang obtained the qualification of senior engineer issued by Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in November 2014.

Ms. Wang Ying (王瑛), aged 42, is our non-executive Director and is primarily responsible for providing guidance for the overall development of our Group. She was appointed as our Director on June 26, 2025 and was designated as our non-executive Director on April 22, 2026 (effective upon [REDACTED]).

Ms. Wang has over 13 years of experience in corporate services and human resources management. She has worked at Wuxi Metro Technology Service Co., Ltd.* (無錫地鐵科技服務有限公司) and its related entities since March 2013, with her last position as deputy Party secretary, secretary of the discipline inspection commission and chairman of the labour union, where she was primarily responsible for Party building, discipline inspection, human resources and work related to Communist Youth League and labour union.

Ms. Wang obtained her bachelor’s degree in Japanese from Nanjing University of Information Science and Technology (南京信息工程大學) in June 2007.

Ms. Wang obtained the qualification of assistant researcher issued by Wuxi Municipal Bureau of Human Resources and Social Security (無錫市人力資源與社會保障局) in October 2023.

Ms. Han Song (韓頌), aged 60, is our non-executive Director and is primarily responsible for providing guidance for the overall development of our Group. She was appointed as our Director on February 2, 2024 and was designated as our non-executive Director on April 22, 2026 (effective upon [REDACTED]). She was the deputy chairlady of our Board from February 2024 to October 2024.

Ms. Han has about 30 years of experience in the air conditioning and refrigeration industry. She has served as various positions at York (China) Commercial Co., Ltd.* (約克(中國)商貿有限公司) since January 1996, with her current position as the VP & GM, China HVAC/IR of Johnson Controls China.

Ms. Han obtained her bachelor’s degree in HVAC engineering from Tongji University (同濟大學) in July 1988 and her master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in September 2007.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Du Kai (杜堉), aged 70, will be appointed as our independent non-executive Director on the [REDACTED] and is primarily responsible for providing independent advice and judgment to our Board.

Mr. Du has over 46 years of experience in higher education. He worked at Southeast University (東南大學) from April 1974 to December 2020, with his last position as a professor, and he became a professor in refrigeration and cryogenic engineering in May 1999.

Mr. Du obtained his bachelor’s degree in industrial thermal engineering from Nanjing Institute of Technology (南京工學院)(now known as Southeast University (東南大學)) in July 1982.

Ms. Lo Bo Yee (勞寶儀), aged 55, will be appointed as our independent non-executive Director on the [REDACTED] and is primarily responsible for providing independent advice and judgment to our Board.

Ms. Lo has over 11 years of experience in finance, operations and general management. She worked at York International (Northern Asia) Ltd.* (約克國際(北亞)有限公司) from October 2004 to June 2015, during which she served as the financial director and held various management roles in areas such as financial management and business operations, and she was promoted to the vice president of finance in January 2015.

Ms. Lo obtained her master’s degree in business administration from Hong Kong University of Science and Technology in October 2003.

Ms. Lo is a current member of the Hong Kong Institute of Certified Public Accountants.

Mr. Zhang Peng (章芃), aged 62, will be appointed as our independent non-executive Director on the [REDACTED] and is primarily responsible for providing independent advice and judgment to our Board.

Mr. Zhang has over 28 years of experience in higher education. He served various teaching positions at Southeast University (東南大學) from December 1986 to January 2015, with his last position as Secretary of the Youth League Committee and teacher. He has been the director and manager of Nanjing Yintou Credit Management Co., Ltd.* (南京峯投信用管理有限公司) since October 2011. He has participated in the management of Jiangsu Deshan Law Firm* (江蘇德善律師事務所) since December 2008.

Mr. Zhang obtained his professional bachelor’s degree in thermal engineering from Nanjing Institute of Energy Engineering (南京能源工程學院) in July 1986 and his master’s degree in Marxist theory and ideological and political education from Southeast University (東南大學) in April 2000.

Mr. Zhang obtained the qualification of lawyer issued by the Ministry of Justice of the PRC (中國司法部) in July 1996.

Mr. Xu Hongqing (徐宏慶), aged 62, will be appointed as our independent non-executive Director on the [REDACTED] and is primarily responsible for providing independent advice and judgment to our Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xu has over 36 years of experience in architectural engineering and HVAC. He has been working at Beijing Institute of Architectural Design Co., Ltd.* (北京市建築設計研究院股份有限公司) since January 1989, and his current position is the chief engineer and director of professional equipment design.

Mr. Xu obtained his master’s degree in construction thermal energy engineering from Harbin Institute of Architectural Engineering (哈爾濱建築工程學院)(now known as Harbin Institute of Technology (哈爾濱工業大學)) in January 1989.

Mr. Xu obtained the qualification of registered public utility engineer (HVAC) issued by Ministry of Housing and Urban-Rural Development of the PRC in January 2011 and senior engineer (professor level) issued by the Beijing Municipal Senior Professional and Technical Position Evaluation Committee (北京市高級專業技術職務評審委員會) in September 2001.

General

Each of our Directors has confirmed that:

- (1) he or she has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 9, 2026 and understood his/her obligations as a director of a listed issuer under the Listing Rules;
- (2) save as disclosed above, he or she does not hold other positions in our Company or other members of our Group as of the Latest Practicable Date;
- (3) save as disclosed above, he or she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the date of this document; and
- (4) save as disclosed above and in this document, other than being a Director, he or she has no other relationships with any other Directors, members of our senior management, substantial shareholders or Controlling Shareholders as of the Latest Practicable Date.

Except as disclosed in this document, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

- (1) there is no other matter with respect to their appointments that needs to be brought to the attention to the Shareholders and the Stock Exchange as of the Latest Practicable Date; and
- (2) there is no other information relating to their appointments that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

Each of our independent non-executive Directors has confirmed:

- (1) his/her independence as regards each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;
- (2) that he or she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and
- (3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORS

The table below sets out certain information in respect of our Supervisors.

Name	Age	Position(s)	Date of appointment as Supervisor	Date of joining our Group	Role and responsibilities
Ms. Qian Rong (錢榮)	35	Chairlady of our supervisory committee	April 16, 2025	April 2025	Responsible for supervising and providing independent advice to our Board
Mr. Qiu Kun (邱坤)	52	Supervisor	October 25, 2024	October 2024	Responsible for supervising and providing independent advice to our Board
Mr. Chen Zhihao (陳志豪) . .	34	Supervisor	October 25, 2024	September 2020	Responsible for supervising and providing independent advice to our Board

None of our Supervisors has any relationship with other Supervisors, Directors and senior management of our Group.

The following sets forth the biographies of our Supervisors:

Ms. Qian Rong (錢榮), aged 35, was appointed as our Supervisor on April 16, 2025. She is the chairlady of our supervisory committee and is primarily responsible for supervising and providing independent advice to our Board.

Ms. Qian has over 5 years of experience in legal and compliance. Ms. Qian has been a legal officer of Huaguang Environment & Energy since July 2020. She worked at Wuxi Shunbi Real Estate Development Co., Ltd.* (無錫市順碧房地產開發有限公司) from July 2019 to June 2020. She worked at Beijing Yingke Law Firm Wuxi Office* (北京市盈科(無錫)律師事務所) from May 2014 to December 2017 and from July 2018 to June 2019. She worked at Shanghai Guangfa (Wuxi) Law Firm* (上海市廣發(無錫)律師事務所) from January 2018 to June 2018. She worked at Wuxi Gaoke Internet of Things Technology Development Co., Ltd.* (無錫高科物聯網科技發展有限公司) from March 2013 to April 2014. She worked at Ganzhi Group Co., Ltd.* (感知集團有限公司) from July 2012 to October 2012.

Ms. Qian obtained her bachelor’s degree in law from Soochow University (蘇州大學) in June 2012.

Ms. Qian obtained the legal professional qualification certificate issued by the Ministry of Justice of the PRC (中國司法部) in September 2012.

Mr. Qiu Kun (邱坤), aged 52, was appointed as our Supervisor on October 25, 2024 and is primarily responsible for supervising and providing independent advice to our Board.

Mr. Qiu has about 19 years of experience in building automation and energy solutions. He has been serving as positions such as general manager, China service, general manager, Eastern region, China, director, China BMS LoB & project delivery, director, project operations, China and senior service manager at Beijing Johnson Controls Co., Ltd.* (北京江森自控有限公司) since November 2006 and his current position is the general manager, China services and solutions.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Qiu obtained her bachelor’s degree in computer communication from Chongqing College of Posts and Telecommunications (重慶郵電學院)(Chongqing University of Posts and Telecommunications (重慶郵電大學)) in July 1997.

Mr. Qiu obtained the qualification of communications engineer in computer network issued by the Ministry of Information Industry of the PRC (中國信息產業部) in December 2005. He obtained the qualification of senior engineer in automatic control issued by the Wuhan Office for Professional Title Reform (武漢職稱改革辦公室) in November 2013.

Mr. Qiu was the director and general manager of the following company prior to its dissolution, the details of which are set out below:

Name of company	Nature of business	Place of incorporation	Reason for dissolution	Date of dissolution	Means of dissolution
Wuhan Yilan Technology Development Co., Ltd.* (武漢易藍科技發展有限公司)	Installation and commissioning of intelligent systems	PRC	Cessation of business	May 14, 2003	Revocation

Mr. Qiu confirmed that, to the best of his knowledge, (i) the above-mentioned company did not, from the date of its incorporation up to the date of its revocation, cause any liability or obligation, or potential liability or obligation, which shall be borne by him, nor did it involve him in any material litigation or legal proceeding, or potential litigation or legal proceeding, in any jurisdiction; (ii) the above-mentioned company had ceased operations and was solvent immediately prior to its revocation, and all its debts have been fully repaid; and (iii) such revocation was not caused by his own misconduct or omission, and he did not commit any illegal act or omission in the process of such revocation, and is not aware of any actual or potential claim against him arising from such revocation.

Mr. Chen Zhihao (陳志豪), aged 34, was appointed as our Supervisor on October 25, 2024. He is our employee representative Supervisor and is primarily responsible for supervising and providing independent advice to our Board. He has been a finance manager of our Company since September 2020.

Mr. Chen has over 5 years of experience in financial management. Prior to joining our Group, Mr. Chen worked at Jiangsu Gongqin Certified Public Accountants Co., Ltd.* (江蘇公勤會計師事務所有限公司) from December 2017 to August 2020, and Tongqinglou Taihu Lake Catering Wuxi Co., Ltd.* (同慶樓太湖餐飲無錫有限公司) from July 2016 to November 2017.

Mr. Chen obtained his bachelor’s degree in accounting from Wuxi Taihu University (無錫太湖學院) in June 2014.

Mr. Chen obtained the qualification of intermediate accountant issued by the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部) and the Ministry of Finance of the PRC (中國財政部) in September 2019.

Pursuant to the resolutions passed at the general meeting of our Shareholders held on April 22, 2026, the supervisory committee of our Company shall be abolished with effect from the [REDACTED]. Upon the [REDACTED], our Company will no longer have the supervisory committee, the duties and powers of which will be assumed by our Audit Committee as stipulated in the PRC Company Law, and our Supervisors will leave office automatically.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets out certain information in respect of the senior management of our Group.

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities
Mr. Heng Size (衡思澤) . . .	54	Executive Director and general manager	April 28, 2018	April 2018	Responsible for daily operations and overall performance of our Group
Ms. Li Peipei (李培培)	44	Executive Director, employee representative Director and financial director	April 28, 2018	April 2018	Responsible for financial management of our Group
Mr. Hua Wei (華蔚)	38	Deputy general manager	January 18, 2024	April 2018	Responsible for leading our Company’s sales, marketing, project management and innovation in businesses
Mr. Lu Ye (陸曄)	47	Deputy general manager and joint company secretary	January 24, 2022	June 2018	Responsible for legal, procurement, operations and securities affairs

None of our senior management has any relationship with other senior management, Directors and Supervisors of our Group.

For biographical details of Mr. Heng Size (衡思澤) and Ms. Li Peipei (李培培), see “— Board of Directors — Executive Directors” in this section. The following sets forth the biographies of our senior management:

Mr. Hua Wei (華蔚), aged 38, has been as our deputy general manager since January 18, 2024 and is primarily responsible for leading our Company’s sales, marketing, project management and innovation in businesses.

Mr. Hua was the assistant to general manager of our Company from January 2023 to January 2024, primarily responsible for national sales and project management, and the strategic accounts department manager and Wuxi market and strategic accounts director of our Company from April 2018 to January 2023, primarily responsible for developing strategic key clients, establishing cooperation models, promoting project implementation and coordinating the entire process of energy project management.

Mr. Hua has about 12 years of experience in the energy and environmental protection industry. Prior to joining our Group, he was an investment manager of Huaguang Environment & Energy from October 2013 to April 2018, where he was primarily responsible for external investment and project operations in the municipal environmental protection and energy sectors.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Hua has been the executive director of each of Foshan Enjie and Shangrao Chaojie since their respective establishments in April 2023 and January 2023. He has been working at Yangzhou Energy as executive director since November 2023. He was the manager of Qinhuangdao Taili from October 2020 to February 2026. He has been the director of Guangdong Haiborui since it was acquired by the Company in November 2025.

Mr. Hua obtained his bachelor’s degree in applied finance from Macquarie University in April 2013 and his master’s degree in business from The University of Newcastle, Australia in September 2013.

Mr. Hua obtained the qualification of intermediate engineer issued by Wuxi Municipal Bureau of Human Resources and Social Security (無錫市人力資源和社會保障局) in November 2023.

Mr. Lu Ye (陸曄), aged 47, has been our deputy general manager since January 24, 2022 and is primarily responsible for legal, procurement, operations and securities affairs. He was our assistant to general manager from April 2018 to January 2022.

Mr. Lu has over 8 years of experience in corporate management and operations. Prior to joining our Group, Mr. Lu worked in Wuxi Guolian Environment Protection & Energy Group Co., Ltd.* (無錫國聯環保能源集團有限公司) from January 2014 to May 2018. He worked at Guolian Development Group from May 2008 to December 2013. He worked at China Mobile Jiangsu Co., Ltd. Wuxi Branch* (中國移動通信集團江蘇有限公司無錫分公司) from January 2003 to August 2004.

Mr. Lu has been the chairman and general manager of Xinfu Zhilian since its establishment in July 2020.

Mr. Lu obtained his bachelor’s degree in HVAC engineering from Nanjing University of Science and Technology (南京理工大學) in 2001 and his master’s degree in business administration from The University of Manchester in June 2007.

Mr. Lu obtained the qualification of engineer issued by Wuxi Municipal Bureau of Human Resources and Social Security (無錫市人力資源和社會保障局) in November 2023.

JOINT COMPANY SECRETARIES

Mr. Lu Ye (陸曄) was appointed as one of our joint company secretaries on April 7, 2026 effective upon the [REDACTED]. For his biographical details, see “— Senior Management” in this section.

Ms. Kwok Yan Ting Jennis (郭恩廷), was appointed as one of our joint company secretaries on April 7, 2026 effective upon the [REDACTED].

Ms. Kwok has over 12 years of extensive experience in corporate governance, company secretarial practice and regulatory compliance. She is currently a Senior Manager of Entity Solutions of Computershare Hong Kong Investor Services Limited.

Ms. Kwok obtained her bachelor’s degree of business administration from Hong Kong Shue Yan University.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

She is a fellow member of both The Hong Kong Chartered Governance Institute (the “HKCGI”) and The Chartered Governance Institute in the United Kingdom, and is a holder of the practitioner’s endorsement of HKCGI. In addition, she is a Certified Environmental, Social and Governance Analyst accredited by The European Federation of Financial Analysts Societies and a Certified ESG Planner awarded by the International Chamber of Sustainable Development. She also holds the Sustainability and Climate Risk Certificate issued by the Global Association of Risk Professionals.

BOARD COMMITTEES

We have established the following committees on our Board: the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and ESG Committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

Our Company has established an Audit Committee (effective upon [REDACTED]) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). The Audit Committee consists of Ms. Lo Bo Yee (勞寶儀), Mr. Zhang Peng (章芃) and Ms. Tang Lin (唐琳), with Ms. Lo Bo Yee (勞寶儀) serving as the chairlady. Ms. Lo Bo Yee (勞寶儀) holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board.

Remuneration and Appraisal Committee

Our Company has established a Remuneration and Appraisal Committee (effective upon [REDACTED]) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of Mr. Du Kai (杜堉), Mr. Xu Hongqing (徐宏慶), Ms. Lo Bo Yee (勞寶儀), Mr. Huang Yi (黃毅) and Ms. Han Song (韓頌), with Mr. Du Kai (杜堉) serving as the chairman. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, making recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, reviewing performance-based remuneration, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

Our Company has established a Nomination Committee (effective upon [REDACTED]) with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of Mr. Zhang Peng (章芃), Mr. Xu Hongqing (徐宏慶), Mr. Du Kai (杜堉), Mr. Huang Yi (黃毅) and Ms. Han Song (韓頌), with Mr. Zhang Peng (章芃) serving as the chairman. The primary functions of the Nomination Committee include, but are not limited to, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Strategy and ESG Committee

Our Company has established a Strategy and ESG Committee (effective upon [REDACTED]) with written terms of reference. The Strategy and ESG Committee consists of Mr. Huang Yi (黃毅), Mr. Xu Hongqing (徐宏慶), Ms. Lo Bo Yee (勞寶儀), Ms. Han Song (韓頌) and Ms. Ding Zhuoya (丁卓婭), with Mr. Huang Yi (黃毅) serving as the chairman. The primary functions of the Strategy and ESG Committee include, but are not limited to, conducting research and providing recommendations on our Company’s long-term development strategy, major investment decisions, and ESG practices.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

Our Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

We will comply with the code provisions stated in the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules after the [REDACTED]. Our Company always believes that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a clear independent element on our Board, which can effectively exercise independent judgment.

Board Diversity Policy

We have adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board and in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing our ability to attract and retain talents and motivate employees. We have also taken and will continue to take measures to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels.

Our Board has a balanced mix of knowledge and skills, including but not limited to HVAC, energy, green technology, engineering, accounting, auditing, internal control, finance, human resources, corporate management, education. They obtained degrees in various majors including HVAC, business administration, accounting, auditing, civil engineering, construction engineering, thermal engineering, etc. Furthermore, our Board has a relatively wide range of ages, ranging from 38 years old to 70 years old, and consists of six male members and six female members. Our Board is of the view that our Board satisfies the Board Diversity Policy.

Our Nomination Committee will review and assess the composition of our Board and make recommendations to our Board on appointment of members of our Board. Meanwhile, our Nomination Committee will consider the benefits of all aspects of board diversity, including without limitation, professional experience, skills, knowledge, education background, age, gender, culture and ethnicity, and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on our Board. Upon the [REDACTED], the Nomination Committee will from time to time (i) discuss and agree on expected goals to ensure board diversity; and (ii) review and update the Board Diversity Policy as necessary to ensure its effectiveness. Our Company will disclose the implementation of the Board Diversity Policy in its corporate governance report on an annual basis.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

REMUNERATION POLICY

Our Directors, chief executive and Supervisors receive compensation in the form of Directors’ fees (if applicable), salaries, allowances and benefits in kind, discretionary bonuses and our Company’s contributions to retirement benefit scheme on their behalves. The remuneration of our Directors, chief executive and Supervisors is determined with reference to the experience and qualifications, level of responsibility, performance and the time devoted to our business of the relevant Director, chief executive or Supervisor, and the prevailing market conditions.

The aggregate amounts of remuneration paid to our Directors, chief executive and Supervisors (including Directors’ fees (if applicable), salaries, allowances and benefits in kind, discretionary bonuses and contributions to retirement benefit scheme) for the three financial years ended December 31, 2023, 2024 and 2025 were approximately RMB2.0 million, RMB2.4 million and RMB2.5 million, respectively.

It is estimated that the aggregate amount of remuneration payable to our Directors, chief executive and Supervisors for the financial year ending December 31, 2026 will be approximately RMB5.7 million under arrangements in force as of the date of this document.

For the three financial years ended December 31, 2023, 2024 and 2025, there were one, one and one Director or chief executive among the five highest paid individuals, respectively. The aggregate amounts of remuneration which were paid by our Group to the five highest paid individuals (excluding Directors and chief executive) for the three financial years ended December 31, 2023, 2024 and 2025 were approximately RMB6.1 million, RMB4.8 million and RMB4.8 million, respectively.

During the Track Record Period, no amounts were paid or payable by our Group to our Directors, chief executive, Supervisors or the five highest paid individuals as an inducement to join, or upon joining our Group or as compensation for loss of office, and none of our Directors, chief executive and Supervisors waived or agreed to waive any remuneration.

Except as disclosed above, no other payment has been paid, or is payable, by our Group to our Directors, chief executive, Supervisors or the five highest paid individuals during the Track Record Period.

For additional information on the remuneration of our Directors, chief executive and Supervisors during the Track Record Period as well as information on the five highest paid individuals, please refer to Notes 8 and 9 of the Accountants’ Report as set out in Appendix I to this document.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

We have appointed Red Solar Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules, is contemplated, including share issues and share repurchases;
- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of us regarding unusual [REDACTED] and [REDACTED] or other issues under Rule 13.10 of the Listing Rules.

The terms of appointment of the compliance advisor shall commence on the [REDACTED] and end on the date on which we publishes our financial results for the first full financial year commencing after the [REDACTED] in compliance with Rule 13.46 of the Listing Rules and such appointment may be subject to extension by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED], without taking into account any Shares that may be allotted and issued pursuant to the exercise of the [REDACTED], the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder(s)	Capacity/nature of interest	As of the Latest Practicable Date ⁽¹⁾		Immediately following completion of the [REDACTED] ⁽²⁾		
		Number and type of Shares held	Approximate percentage of shareholding in the total share capital	Number and type of Shares held	Approximate percentage of shareholding in the Unlisted Shares	Approximate percentage of shareholding in the total share capital
Huaguang Environment & Energy.	Beneficial owner	90,000,000 Unlisted Shares	45%	[REDACTED]	[REDACTED]	[REDACTED]
Guolian Development Group.	Interest in controlled corporation ⁽³⁾	90,000,000 Unlisted Shares	45%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Guofa Capital Operation Co., Ltd.* (無錫市國發資本運營有限公司) (“Guofa Capital Operation”)	Interest in controlled corporation ⁽³⁾	90,000,000 Unlisted Shares	45%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Metro Technology Service Co., Ltd.* (無錫地鐵科技服務有限公司) (“Metro Technology”)	Beneficial owner	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Metro Group Co., Ltd.* (無錫地鐵集團有限公司) (“Metro Group”)	Interest in controlled corporation ⁽⁴⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi New Development Group Co., Ltd.* (無錫市新發集團有限公司) (“New Development Group”)	Beneficial owner	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Gaofa Investment Development Group Co., Ltd.* (無錫市高發投資發展集團有限公司) (“Wuxi Gaofa”)	Interest in controlled corporation ⁽⁵⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Tyco Ireland Limited (“Tyco Ireland”)	Beneficial owner	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Tyco International Holding S.a.r.l. (“Tyco International”)	Interest in controlled corporation ⁽⁶⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Johnson Controls Luxembourg European Finance Sarl (“Johnson Controls Luxembourg”)	Interest in controlled corporation ⁽⁶⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Tyco Fire & Security Finance S.C.A. (“Tyco Fire & Security”)	Interest in controlled corporation ⁽⁶⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Johnson Controls International plc – Luxembourg Branch (“Johnson Controls International – Luxembourg”)	Interest in controlled corporation ⁽⁶⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Johnson Controls International plc (“Johnson Controls International”)	Interest in controlled corporation ⁽⁶⁾	30,000,000 Unlisted Shares	15%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Zhongcheng	Beneficial owner	20,000,000 Unlisted Shares	10%	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder(s)	Capacity/nature of interest	As of the Latest Practicable Date ⁽¹⁾		Immediately following completion of the [REDACTED] ⁽²⁾		
		Number and type of Shares held	Approximate percentage of shareholding in the total share capital	Number and type of Shares held	Approximate percentage of shareholding in the Unlisted Shares/H Shares	Approximate percentage of shareholding in the total share capital
Mr. Heng Size	Interest in controlled corporation ⁽⁷⁾	20,000,000 Unlisted Shares	10%	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of [REDACTED] Shares in issue (comprising [REDACTED] Unlisted Shares and [REDACTED] H Shares) immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares without taking into account any Shares that may be allotted and issued pursuant to the exercise of the [REDACTED].
- (3) Huaguang Environment & Energy is a company listed on Shanghai Stock Exchange (stock code: 600475). As of April 30, 2026, Huaguang Environment & Energy was owned directly as to 51.82% by Guolian Development Group and indirectly through Guolian Investment, a wholly-owned subsidiary of Guolian Development Group, as to 1.23%. Guolian Development Group was in turn owned as to 34.42% by Guofa Capital Operation. Therefore, each of Guolian Development Group and Guofa Capital Operation is deemed to be interested in the Shares held by Huaguang Environment & Energy for the purpose of the SFO.
- (4) As of the Latest Practicable Date, Metro Technology was wholly owned by Metro Group. Therefore, Metro Group is deemed to be interested in the Shares held by Metro Technology for the purpose of the SFO.
- (5) As of the Latest Practicable Date, New Development Group was wholly owned by Wuxi Gaofa. Therefore, Wuxi Gaofa is deemed to be interested in the Shares held by New Development Group for the purpose of the SFO.
- (6) As of the Latest Practicable Date, Tyco Ireland was wholly owned by Tyco International, which was in turn wholly owned by Johnson Controls Luxembourg. Johnson Controls Luxembourg was wholly owned by Tyco Fire & Security, which was directly and indirectly wholly owned by Johnson Controls International – Luxembourg, a wholly-owned subsidiary of Johnson Controls International, the shares of which are listed on New York Stock Exchange (stock code: JCI). Therefore, each of Tyco International, Johnson Controls Luxembourg, Tyco Fire & Security, Johnson Controls International – Luxembourg and Johnson Controls International is deemed to be interested in the Shares held by Tyco Ireland for the purpose of the SFO.
- (7) As of the Latest Practicable Date, the general partner of Wuxi Zhongcheng was Mr. Heng Size, our executive Director. Therefore, Mr. Heng Size is deemed to be interested in the Shares held by Wuxi Zhongcheng for the purpose of the SFO.

Save as disclosed herein, our Directors are not aware of any other persons who will, immediately following completion of the [REDACTED], without taking into account any Shares that may be allotted and issued pursuant to the exercise of the [REDACTED], have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

This section presents certain information regarding the share capital of our Company before and upon completion of the [REDACTED].

Before the [REDACTED]

As of the Latest Practicable Date, the total share capital of our Company was RMB200,000,000 divided into 200,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

Upon completion of the [REDACTED]

Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue.	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue.	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

OUR SHARES

Upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company. Apart from certain [REDACTED] in the PRC, certain qualified PRC [REDACTED] under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or [REDACTED] among legal and natural persons of the PRC.

Unlisted Shares and H Shares are regarded as one class of shares under our Articles of Association, and Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the

SHARE CAPITAL

date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars and all dividends in respect of our Unlisted Shares are to be paid by us in Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Our Unlisted Shares are currently not [REDACTED] or [REDACTED] on any stock exchange. According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares. Such converted H Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange provided that the conversion and [REDACTED] of such converted shares shall have duly completed pursuant to any requisite internal approval processes and the approval from the relevant PRC regulatory authorities, including the CSRC, shall have been obtained. In addition, such conversion, [REDACTED] and [REDACTED] shall in all respects comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Approval of the Stock Exchange is required if any of our Unlisted Shares are to be converted into and [REDACTED] as H Shares on the Stock Exchange. Based on the methodology and procedures for the conversion of our Unlisted Shares into H Shares as described in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the [REDACTED]. As any [REDACTED] of additional shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior [REDACTED] for [REDACTED] at the time of our [REDACTED] in Hong Kong. According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》), the unlisted shares of H-share companies (including (i) unlisted domestic shares held by domestic shareholders before overseas listing; (ii) unlisted domestic shares issued overseas after overseas listing; and (iii) unlisted shares held by foreign shareholders) are allowed to be listed and traded on the Stock Exchange, and it stipulates the application procedures for the full circulation of unlisted shares of H-share company in China.

After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct our [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on: (i) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due despatch of H Share certificates; and (ii) the admission of our H Shares to [REDACTED] on the Stock Exchange in compliance with the Listing Rules, the General Rules of [REDACTED] and the [REDACTED] in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares.

SHARE CAPITAL

[REDACTED]

[REDACTED] by the Stock Exchange

We have applied to the Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and the H Shares to be converted from [REDACTED] Unlisted Shares, which is subject to the approval by the Stock Exchange.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued by a company prior to the [REDACTED] shall not be transferred within a period of one year from the date on which the [REDACTED] shares are [REDACTED] on any stock exchange. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and not be transferred within a period of one year from the [REDACTED].

Our Directors and senior management shall notify our Company of the Shares they hold and any changes therein. During their respective tenure of office, any Shares transferred by any of our Company’s Directors and senior management in any year shall not exceed 25% of the relevant individual’s total Shares in our Company. Shares held by any Director or senior management shall not be transferred within a period of one year from the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the unlisted shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which a Shareholders’ general meeting is required, see “Appendix V — Summary of the Articles of Association of the Company” in this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our historical financial information as of and for the Track Record Period, together with the accompanying notes, as included in the Accountants’ Report set out in Appendix I to this document. Our historical financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements as a result of various factors, including but not limited to those discussed in “Risk Factors” and elsewhere in this document.

OVERVIEW

We are a leading full-cycle intelligent energy management solutions provider in China. Our solutions integrate advanced energy-saving products and proprietary software systems to cover the entire value chain of assessment, design, construction, operation and maintenance across public and commercial buildings, industrial facilities and data centers. According to Frost & Sullivan, we ranked second among full-cycle intelligent energy management solutions providers in China and first in Eastern China by revenue in 2025. We have also been recognized as a High-Tech Enterprise in Jiangsu Province (2023) and a Specialized and Sophisticated Small and Medium-sized Enterprise in Jiangsu Province (2024). We obtained AAAAA certifications for both energy management contract services and comprehensive energy services, which is the highest certification grade awarded by the China Energy Conservation Association. In 2026, our intelligent energy-carbon management solution was included in the MIIT list of trusted solutions for innovation.

Unlike traditional models that offer only standalone equipment or single-phase engineering services, our solutions are tailored to customers’ specific energy consumption characteristics, enabling flexible business models that support long-term, stable energy management, reduce energy investment risks, improve efficiency, and lower costs and carbon emissions. We have developed in-house a series of high-efficiency evaporative cooling products, the GLJC-AIBox for HVAC system efficiency, and an intelligent energy and carbon management platform. We have also developed modular solutions, including modular evaporative-cooled packaged chiller, oil-free centrifugal evaporative-cooled product series, and fully modular containerized systems for AIDC. According to Frost & Sullivan, we are among the first in China to launch fully modular containerized systems for AIDC, enabling “factory pre-assembly and rapid on-site installation” that significantly shortens construction timelines while supporting flexible configuration and iterative upgrades across AI computing, general-purpose computing and edge computing scenarios.

As of December 31, 2025, we have provided intelligent energy management solutions across 23 provinces, municipalities and autonomous regions, with deep roots in the Yangtze River Delta region. As of the same date, we undertook over 120 projects in industrial buildings, over 130 projects in public and commercial buildings and over 10 projects in data centers. Since inception and up to December 31, 2025, we had 71 intelligent energy operation and management projects that had entered into the stage of operation and had completed 151 intelligent energy efficiency projects.

FINANCIAL INFORMATION

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the consolidated financial information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 32 of the Accountants’ Report set out in Appendix I to this document.

The preparation of our historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our consolidated financial information are disclosed in Note 3 of the Accountants’ Report set out in the Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors. A discussion of the key factors is set out below.

Growth of the intelligent energy management solutions industry in China and the impact of government policies

Our business and results of operations are underpinned by the growth and development of the intelligent energy management solutions industry in China. According to Frost & Sullivan, China’s intelligent energy management solutions industry grew from RMB155.1 billion in 2020 to RMB221.5 billion in 2025, representing a CAGR of 7.4%, and is forecasted to reach RMB315.1 billion by 2030, with a CAGR of 7.3%. This growth has been primarily driven by several key factors, which are also expected to remain as prevailing trends in the future: (i) policy support and the guidance of China’s “dual carbon” goals; (ii) economic growth and industrial structure upgrading; (iii) rising energy costs and enhanced environmental awareness; (iv) diversified market demand and the transformation toward integrated services under a full-lifecycle business model; and (v) the rapid development of emerging building facilities such as data centers.

We believe the recent growth and development of the intelligent energy management solutions industry in China has been integral to our own growth and will continue to be critical for our success going forward. During the Track Record Period, our intelligent energy operation and management solutions has been an increasingly critical part of our overall operations and financial results. Revenue contribution from this business increased from 45.7% of our total revenue in 2023 to 55.8% of our total revenue in 2024, and further increased to 68.6% of our total revenue in 2025. Specifically, our revenue from the energy operation and management solutions increased from RMB293.2 million in 2023 to RMB410.9 million in 2024, and further to RMB438.5 million in 2025, demonstrating our ability to capitalize on a favorable business model.

FINANCIAL INFORMATION

However, our business is subject to risks associated with changes in industry conditions and government policies. Any slowdown in the growth of the intelligent energy management solutions industry, adverse changes to favorable government policies, or delays in policy implementation could negatively impact demand for our solutions and adversely affect our revenue and profitability. For details, see “Risk Factors — Risks Relating to Our Business and Industry — Our results of operations may be adversely affected if favorable regulatory policies change or we fail to adapt to evolving laws and regulations” in this document.

Our business mix and the distinct margin profiles of our intelligent energy operation and management solutions and intelligent energy efficiency solutions

During the Track Record Period, we generated our revenue from two core business lines: (i) intelligent energy operation and management solutions, under which there are three service lines; and (ii) intelligent energy efficiency solutions. Each business line operates under different models and has distinct margin profiles. Our diverse services enable us to adapt to different customer requirements and market conditions. For details of our business lines, see “Business — Our Business.”

During the Track Record Period, we strategically shifted our business focus. Revenue contribution from our intelligent energy operation and management solutions increased from 45.7% in 2023 to 55.8% in 2024, and further to 68.6% in 2025, while revenue contribution from our intelligent energy efficiency solutions decreased from 54.3% in 2023 to 44.2% in 2024 and further to 31.4% in 2025. This transition has driven our overall gross profit margin up from 15.8% in 2023 to 19.3% in 2024 and further to 22.5% in 2025. Consequently, our overall profitability depends on the mix of our businesses.

Our ability to acquire new projects and execute them efficiently

Since our intelligent energy operation and management solutions is primarily conducted on a project-by-project basis, our ability to secure new projects with substantial contract values and execute them efficiently is critical to our financial performance. We were awarded and entered into 42, 57 and 63 contracts in 2023, 2024 and 2025, respectively. Our project acquisition depends on several factors, including our market reputation, long-term cooperation with customers, technological capabilities and competitive pricing.

Additionally, our ability to secure and execute new projects is influenced by our customers’ operating conditions, capital expenditure and operating budgets, project commencement schedules and internal approval processes. Customer delays, scale-backs or cancellations of projects may arise from factors such as weaker operating performance, cash flow pressure, budget tightening or adjustments to their energy-saving upgrade plans. Any such delays or changes could affect the commencement and execution of our projects, which in turn may impact our business, financial condition, results of operations and cash flows.

Our ability to control costs and operating expenses

Our cost of sales mainly consists of: (i) energy consumption costs, mainly for our intelligent energy operation and management solutions; (ii) engineering and equipment costs for materials and engineering-related costs associated with our intelligent energy efficiency solutions; (iii) maintenance related service fees, primarily for services provided by third-parties; and (iv) depreciation and amortization. During the Track Record Period, our cost of sales as a percentage of our total revenue decreased from 84.2% in 2023 to 80.7% in 2024, and further to 77.5% in 2025, reflecting our improved cost efficiency and strategic shift toward higher-margin intelligent energy operation and management solutions.

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Our operating expenses mainly consist of: (i) selling expenses; (ii) administrative expenses; and (iii) R&D expenses. During the Track Record Period, our operating expenses amounted to RMB52.2 million, RMB60.1 million and RMB63.1 million respectively.

In terms of cost control, we use centralized procurement and energy efficiency initiatives to manage our costs effectively. Meanwhile, we continue to advance automation and digital transformation across our operation processes, improving efficiency and standardization while reducing non-essential expenditures and optimizing our cost structure. To enhance the efficiency of our operating expenses, we have implemented measures such as streamlining administrative workflows, optimizing sales team structures to improve customer acquisition costs, and focusing R&D investments on projects with clear commercial applications. As a result, we maintain a stable and well-managed operating expense structure.

Our ability to manage working capital effectively

Our working capital management, particularly the management of trade receivables, inventory and trade payables, significantly affects our cash flows and financial condition. Our business model requires upfront capital outlays to procure equipment, materials and subcontractor payments prior to revenue realization. Under our intelligent energy operation and management solutions, revenue is generated from actual energy consumption or shared energy savings over contract terms, which normally range from eight to 20 years under the energy hosting model, and four to 20 years under the shared savings model. Under our intelligent energy efficiency solutions, we rely on progress payments upon achieving specified milestones, such as design completion, equipment delivery, installation completion and final acceptance.

Prudent working capital management is therefore essential to maintaining adequate liquidity. Our cash conversion cycle, which represents the duration from customer receivable collection and inventory holding to payments to suppliers, is driven by three key components: trade receivables, inventories and contract costs, and trade payables. During the Track Record Period, our trade receivables turnover days increased from 91 days in 2023 to 113 days in 2024, and further to 149 days in 2025. In contrast, our inventories and contract costs decreased significantly from RMB266.8 million in 2023 to RMB149.1 million in 2024, and further to RMB91.1 million in 2025, driven by reduced equipment stockpiling. Accordingly, our inventories and contract costs turnover days decreased from 119 days in 2023 to 88 days in 2025, reflecting improved inventory management, after having increased slightly from 119 days in 2023 to 128 days in 2024. Our trade payables turnover days remained relatively stable, measuring 168 days in 2023, 174 days in 2024, and 174 days in 2025, demonstrating our ability to maintain good supplier relationships without extending payment terms significantly. The substantial reduction in inventories and contract costs, and stable trade payables terms have partially offset the impact of longer trade receivables days, resulting in a manageable overall working capital position. As a result, our cash conversion cycle was 42 days in 2023, 67 days in 2024 and 63 days in 2025.

We have established receivables and working capital management policies to monitor our credit exposure and collection status. Before granting credit terms to customers, we generally assess their background, industry reputation, payment history, credit profile and history of cooperation with us, and determine the applicable credit terms and internal monitoring measures accordingly. During the course of our business operations, we monitor the aging of our trade receivables, regularly follow up on outstanding balances and take collection actions on overdue amounts. Our senior management regularly reviews outstanding receivable balances and their recoverability and make impairment provisions where appropriate. For trade payables, we maintain good relationships with our suppliers through timely communication and negotiated payment terms, ensuring supply stability while managing cash flows efficiently. For details of our inventory management, see “Business — Inventory — Inventory Management” in this document. Through these measures, we have strengthened our management of working capital during the Track Record Period.

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MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our historical financial information and the understanding of our financial condition and results of operations. We have also made certain accounting judgements and assumptions in the process of applying our accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations.

Details of our material accounting policies, judgements and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in Notes 2 and 3 to the Accountants’ Report in Appendix I to this document.

RESULTS OF OPERATIONS

The following table sets forth a summary, for the years indicated, of our consolidated statements of profit or loss.

	For the year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue	642,168	737,083	639,205
Cost of sales	(540,845)	(595,034)	(495,364)
Gross profit	101,323	142,049	143,841
Other net income	3,908	2,436	2,949
Selling expenses	(12,806)	(14,285)	(16,089)
Administrative expenses	(28,520)	(35,929)	(36,123)
Research and development expenses	(10,899)	(9,920)	(10,886)
Impairment loss on financial assets	(9,417)	(6,747)	(9,736)
Profit from operations	43,589	77,604	73,956
Finance costs	(12,612)	(20,113)	(20,738)
Share of profits of an associate	2,859	3,653	4,895
Profit before taxation	33,836	61,144	58,113
Income tax	(1,858)	(12,487)	(7,653)
Profit for the year	31,978	48,657	50,460
Profit attributable to:			
Equity shareholders of the Company	31,130	49,541	50,028
Non-controlling interests	848	(884)	432
	31,978	48,657	50,460

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Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use EBITDA (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

EBITDA (non-IFRS measure)

We define EBITDA (non-IFRS measure) as profit for the year adjusted by adding back: (i) income tax; (ii) finance costs; and (iii) depreciation and amortization to derive EBITDA (non-IFRS measure). The following table sets out a reconciliation from profit for the year to EBITDA (non-IFRS measure) for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of profit for the year to EBITDA (non-IFRS measure)			
Profit for the year	<u>31,978</u>	<u>48,657</u>	<u>50,460</u>
Add:			
Income tax	1,858	12,487	7,653
Finance costs	12,612	20,113	20,738
Depreciation and amortization ⁽¹⁾	36,255	48,632	55,730
EBITDA (non-IFRS measure)	<u>82,703</u>	<u>129,889</u>	<u>134,581</u>

Notes:

1. The amount of depreciation and amortization presented represents the depreciation of property, plant and equipment, the amortization of intangible assets, and the depreciation of right-of-use assets.

FINANCIAL INFORMATION

DESCRIPTION OF KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

Revenue by Business Lines

During the Track Record Period, we generated revenue from our intelligent energy operation and management solutions and intelligent energy efficiency solutions. The following table sets forth our revenue breakdown by business lines, both in absolute amounts and as percentages of total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Intelligent Energy Operation and Management Solutions.	293,169	45.7	410,924	55.8	438,494	68.6
– Energy hosting model.	274,565	42.8	381,455	51.8	400,359	62.7
– Shared savings model.	14,634	2.3	22,413	3.0	25,832	4.0
– Operation and maintenance services	3,970	0.6	7,056	1.0	12,303	1.9
Intelligent Energy Efficiency Solutions	348,999	54.3	326,159	44.2	200,711	31.4
Total	642,168	100.0	737,083	100.0	639,205	100.0

Cost of Sales

Our cost of sales primarily consists of: (i) energy consumption costs, mainly for our intelligent energy operation and management solutions; (ii) engineering and equipment costs, primarily for materials and engineering related costs associated with our intelligent energy efficiency solutions; (iii) depreciation and amortization; and (iv) maintenance-related service fees for services provided by third-parties. In 2023, 2024 and 2025, our cost of sales amounted to RMB540.8 million, RMB595.0 million and RMB495.4 million, respectively.

The following table sets forth a breakdown of cost of sales by nature, expressed as an absolute amount and as a percentage of our cost of sales, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Energy consumption costs.	175,193	32.4	222,777	37.5	223,740	45.2
Engineering and equipment costs	299,867	55.4	279,287	46.9	161,768	32.7
Depreciation and amortization.	35,611	6.6	46,604	7.8	53,181	10.7
Maintenance related services fees	18,936	3.5	34,032	5.7	40,719	8.2
Staff costs	2,585	0.5	3,199	0.5	4,517	0.9
Others	8,653	1.6	9,135	1.6	11,439	2.3
Total.	540,845	100.0	595,034	100.0	495,364	100.0

Gross Profit and Gross Profit Margin

Our gross profit represents revenue less cost of sales, and our gross profit margin represents gross profit divided by revenue. In 2023, 2024 and 2025, our gross profit amounted to RMB101.3 million, RMB142.0 million and RMB143.8 million, respectively. Our gross profit margin was 15.8%, 19.3% and 22.5% in 2023, 2024 and 2025, respectively.

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The following table sets forth a breakdown of our gross profit and gross profit margin by business lines for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Intelligent energy operation and management solutions.	57,539	19.6	104,367	25.4	116,522	26.6
Intelligent energy efficiency solutions.	43,784	12.5	37,682	11.6	27,319	13.6
Total.	101,323	15.8	142,049	19.3	143,841	22.5

Other Net Income

Our other net income primarily consists of: (i) interest income from bank deposits; (ii) government grants; and (iii) net gains on disposal of property, plant and equipment, primarily arising from the transfer of projects after completion. In 2023, 2024 and 2025, our other net income amounted to RMB3.9 million, RMB2.4 million and RMB2.9 million, respectively.

The following table sets forth a breakdown of our other net income for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest income from bank deposits	1,807	1,488	944
Government grants	754	653	810
Net gain on disposal of property, plant and equipment	1,352	303	1,232
Others	(5)	(8)	(37)
Total.	3,908	2,436	2,949

Selling Expenses

Our selling expenses mainly consist of: (i) staff costs; (ii) travel and business development expenses; (iii) depreciation and amortization expenses; and (iv) office and rental expenses. In 2023, 2024 and 2025, our selling expenses amounted to RMB12.8 million, RMB14.3 million and RMB16.1 million, respectively.

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The following table sets forth a breakdown of our selling expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	10,007	78.1	10,917	76.4	12,984	80.7
Travel and business development expenses	1,728	13.6	2,188	15.3	2,452	15.3
Depreciation and amortization expenses	41	0.3	91	0.6	114	0.7
Office and rental expenses	323	2.5	582	4.1	537	3.3
Others	707	5.5	507	3.6	2	0.0
Total	12,806	100.0	14,285	100.0	16,089	100.0

Administrative Expenses

Our administrative expenses primarily consist of: (i) staff costs; (ii) professional service fees; (iii) travel and business development expenses; (iv) depreciation and amortization expenses; (v) office and rental expenses; (vi) impairment loss on property, plant and equipment; and (vii) tax and surcharges. In 2023, 2024 and 2025, our administrative expenses amounted to RMB28.5 million, RMB35.9 million and RMB36.1 million, respectively.

The following table sets forth a breakdown of our administrative expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	17,585	61.7	20,987	58.4	26,289	72.8
Professional service fees	1,905	6.7	5,553	15.5	3,230	8.9
Travel and business development expenses	2,070	7.3	2,344	6.5	1,927	5.3
Depreciation and amortization expenses	1,076	3.8	3,623	10.1	1,516	4.2
Office and rental expenses	998	3.4	1,347	3.7	1,220	3.4
Impairment loss on property, plant and equipment	3,345	11.7	431	1.2	—	—
Tax and surcharges	1,016	3.6	828	2.3	976	2.7
Others	525	1.8	816	2.3	965	2.7
Total	28,520	100.0	35,929	100.0	36,123	100.0

Research and Development Expenses

Our R&D expenses primarily consist of: (i) staff costs; (ii) depreciation and amortization expenses; (iii) office and rental expenses; and (iv) technical service fees. In 2023, 2024 and 2025, our R&D expenses amounted to RMB10.9 million, RMB9.9 million and RMB10.9 million, respectively.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our R&D expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	7,983	73.2	9,308	93.8	8,880	81.6
Depreciation and amortization expenses	20	0.2	74	0.7	928	8.5
Office and rental expenses	348	3.2	249	2.5	388	3.6
Technical service fees	1,852	17.0	33	0.3	194	1.8
Others	696	6.4	256	2.7	496	4.5
Total	10,899	100.0	9,920	100.0	10,886	100.0

Impairment Loss on Financial Assets

Our impairment loss on financial assets arises primarily from the expected credit loss assessment of our customer receivables, contract assets and other receivables. In 2023, 2024 and 2025, we recognized impairment losses on financial assets of RMB9.4 million, RMB6.7 million and RMB9.7 million, respectively.

Finance Costs

Our finance costs primarily consist of: (i) interest on bank loans and other borrowings; (ii) interests on discounted bills; and (iii) interests on lease liabilities. In 2023, 2024 and 2025, our finance costs amounted to RMB12.6 million, RMB20.1 million and RMB20.7 million, respectively.

The following table sets forth a breakdown of our finance costs for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interests on bank loans and other borrowings	12,601	19,522	21,000
Interests on discounted bills	537	1,085	325
Interests on lease liabilities	179	187	264
Less: interest expense capitalized into property, plant and equipment	(705)	(681)	(851)
Total	12,612	20,113	20,738

Share of Profits of an Associate

Our share of profits of an associate represents profits from the interest in an associate. In 2023, 2024 and 2025, our share of profits of an associate amounted to RMB2.9 million, RMB3.7 million and RMB4.9 million, respectively.

Income Tax

Our income tax comprise current income tax and deferred income tax, calculated in accordance with the relevant PRC corporate income tax laws and regulations. In 2023, 2024 and 2025, our income tax amounted to RMB1.9 million, RMB12.5 million and RMB7.7 million, respectively.

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In 2023, 2024 and 2025, our effective tax rate, calculated as income tax over profit before income tax, was 5.5%, 20.4% and 13.2%, respectively.

We are subject to EIT Law of the PRC and our income tax is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulation. During the Track Record Period, our Company and Xinfu Zhilian were qualified as High and New Technology Enterprises (“HNTe”) and enjoyed a preferential income tax rate of 15%; certain subsidiaries were accredited as small and micro business and were entitled to a preferential income tax rate of 5%. The HNTe certificate needs to be renewed every three years to enjoy the preferential EIT rate.

Additionally, according to the new tax incentive policies promulgated by the State Tax Bureau of the PRC, effective for the period from January 1, 2023, an additional 100% of qualified R&D expenses incurred is allowed to be deducted from taxable income. Please refer to Note 7 of the Accountants’ Report in Appendix I to this document.

Profit for the Year

For the years ended December 31, 2023, 2024 and 2025, we had profit for the year of RMB32.0 million, RMB48.7 million and RMB50.5 million, respectively, at a profit margin of 5.0%, 6.6% and 7.9%, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue decreased by 13.3% from RMB737.1 million in 2024 to RMB639.2 million in 2025. This decrease was primarily attributable to the decrease in revenue from our intelligent energy efficiency solutions, despite an increase in revenue from our intelligent energy operation and management solutions. Revenue from our intelligent energy operation and management solutions increased by 6.7% from RMB410.9 million in 2024 to RMB438.5 million in 2025, mainly due to: (i) an increase in the number of our intelligent energy operation and management projects and the continued revenue contribution from certain existing projects; and (ii) an increase in revenue from our operation and maintenance services.

On the other hand, revenue from our intelligent energy efficiency solutions decreased by 38.5% from RMB326.2 million in 2024 to RMB200.7 million in 2025, consistent with our continued proactive strategic emphasis on growing our higher-margin, higher-revenue intelligent energy operation and management solutions.

Cost of sales

Our cost of sales decreased by 16.8% from RMB595.0 million in 2024 to RMB495.4 million in 2025, primarily due to: (i) a decrease of RMB117.5 million in engineering and equipment costs as a result of the reduction in our intelligent energy efficiency solutions; and (ii) an increase of RMB6.7 million in maintenance related services fees.

FINANCIAL INFORMATION

Gross profit and gross profit margin

Our gross profit increased by 1.3% from RMB142.0 million in 2024 to RMB143.8 million in 2025, and the gross profit margin rose from 19.3% to 22.5%, primarily due to: (i) the gross profit and gross profit margin of our intelligent energy operation and management solutions increased, mainly driven by an increase in projects entering into operating stage, and continued improvements in cost control; and (ii) the gross profit margin of our intelligent energy efficiency solutions increased, primarily due to our continued proactive strategic emphasis on higher-margin intelligent energy operation and management solutions projects, and our enhanced screening of intelligent energy efficiency solutions projects.

Other net income

Our other net income remained relatively stable at RMB2.4 million in 2024 and RMB2.9 million in 2025.

Selling expenses

Our selling expenses increased by 12.6% from RMB14.3 million in 2024 to RMB16.1 million in 2025, primarily due to an increase in staff costs resulting from the expansion of the sales team along with an increase in travel and entertainment expenses.

Administrative expenses

Our administrative expenses remained relatively stable at RMB35.9 million in 2024 and RMB36.1 million in 2025.

Research and development expenses

Our R&D expenses remained relatively stable at RMB9.9 million in 2024 and RMB10.9 million in 2025.

Impairment loss on financial assets

Our impairment loss on financial assets increased by 44.3% from RMB6.7 million in 2024 to RMB9.7 million in 2025, primarily due to the aging of certain trade and other receivables.

Finance costs

Our finance costs remained relatively stable at RMB20.1 million in 2024 and RMB20.7 million in 2025.

Share of profits of an associate

Our share of profits of an associate increased by 32.4% from RMB3.7 million in 2024 to RMB4.9 million in 2025, primarily due to increase in the profit of our associate, namely Huzhou Enjie Energy Conservation Technology Co., Ltd., which engages in energy conservation technology services.

Income tax

Our income tax expenses decreased by 38.4% from RMB12.5 million in 2024 to RMB7.7 million in 2025, primarily due to the decrease of our profit before taxation and the recognition of deferred tax assets arising from temporary differences.

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Profit for the year

In light of the above, our profit for the year increased by 3.7% from RMB48.7 million in 2024 to RMB50.5 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 14.8% from RMB642.2 million in 2023 to RMB737.1 million in 2024, primarily due to an increase in the revenue of the intelligent energy operation and management solutions as a result of the commencement of the operational phase of our projects.

Our revenue from intelligent energy operation and management solutions increased by 40.1% from RMB293.2 million in 2023 to RMB410.9 million in 2024, primarily due to increase in the number of projects we undertook as part of strategy to promote intelligent energy operation and management solutions and the commencement of the operational phase of our projects.

Our revenue from intelligent energy efficiency solutions decreased by 6.5% from RMB349.0 million in 2023 to RMB326.2 million in 2024, primarily due to our strategic focus on expanding our higher-margin intelligent energy operation and management solutions.

Cost of sales

Our cost of sales increased by 10.0% from RMB540.8 million in 2023 to RMB595.0 million in 2024, primarily due to: (i) a significant increase of RMB47.6 million in energy consumption costs as a result of the expansion of our intelligent energy operations and management solutions; (ii) an increase in maintenance related services fees as a result of commencement of new projects; and (iii) a corresponding increase in depreciation and amortization.

Gross profit and gross profit margin

Our gross profit increased by 40.2% from RMB101.3 million in 2023 to RMB142.0 million in 2024, and the gross profit margin rose from 15.8% to 19.3% during the same years, primarily due to an increase in gross profit and gross profit margin of our intelligent energy operation and management solutions, driven by improved cost control efficiency as certain projects reached an operational stage with minimal ongoing costs, partially offset by a decrease in gross profit and gross profit margin from our intelligent energy efficiency solutions as a result of decrease in revenue from this business line, and the increase in the cost for services provided by third-parties in relation to the construction of the projects.

Other net income

Our other net income decreased by 38.5% from RMB3.9 million in 2023 to RMB2.4 million in 2024, primarily due: (i) a significant decrease in net gains on disposal of property, plant and equipment as a result of disposal of certain property, plant and equipment related to our intelligent energy operation and management solutions in 2023; and (ii) a decrease in interest income from bank deposits as a result of decrease in average balance of our deposits.

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Selling expenses

Our selling expenses increased by 11.7% from RMB12.8 million in 2023 to RMB14.3 million in 2024, primarily due to an increase in staff costs resulting from the expansion of the sales team to support business development, along with a slight increase in travel and hospitality expenses during the period.

Administrative expenses

Our administrative expenses increased by 26.0% from RMB28.5 million in 2023 to RMB35.9 million in 2024, primarily due to: (i) an increase in one-time professional service fee; (ii) an increase in staff costs from the expansion of the administrative team; and (iii) an increase in depreciation and amortization expenses, as a result of the addition of new leased assets.

Research and development expenses

Our R&D expenses remained relatively stable at RMB10.9 million in 2023 and RMB9.9 million in 2024.

Impairment loss on financial assets

Our impairment loss on financial assets decreased by 28.7% from RMB9.4 million in 2023 to RMB6.7 million in 2024, primarily due to the decrease in impairment loss on trade receivables and contract assets.

Finance costs

Our finance costs increased by 59.5% from RMB12.6 million in 2023 to RMB20.1 million in 2024, primarily due to the expansion of the overall borrowing scale, partially offset by slight decrease in the average borrowing interest rate in light of decrease in market rate.

Share of profits of an associate

Our share of profits of an associate remained relatively stable at RMB2.9 million in 2023 and RMB3.7 million in 2024.

Income Tax

Our income tax expenses increased by RMB10.6 million from RMB1.9 million in 2023 to RMB12.5 million in 2024, primarily due to the significant growth of our profit before taxation in 2024 and the recognition of deferred tax assets arising from temporary difference in 2023.

Profit for the Year

In light of the above, our profit for the year increased by 52.2% from RMB32.0 million in 2023 to RMB48.7 million in 2024.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Current Liabilities

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Current assets				
Inventories and contract costs	266,793	149,102	91,094	106,879
Contract assets	44,723	55,470	24,996	53,361
Trade and other receivables	268,658	331,350	372,953	618,075
Time deposits	7,714	4,990	–	13,315
Restricted bank deposits	20,464	24,932	12,884	56,506
Cash and cash equivalents	74,386	66,704	137,435	163,251
Assets held for sale	–	–	194,454	–
Total Current Assets	682,738	632,548	833,816	1,011,387
Current liabilities				
Trade and other payables	516,394	319,098	317,103	363,125
Contract liabilities	108,965	74,602	78,852	268,132
Bank loans and other borrowings . .	202,476	293,350	339,609	406,477
Lease liabilities	694	830	4,909	2,288
Income tax payable	10,683	8,028	8,932	4,349
Liabilities associated with assets held for sale	–	–	49,109	–
Total Current Liabilities	839,212	695,908	798,514	1,044,371
Net current (liabilities)/assets . . .	(156,474)	(63,360)	35,302	(32,984)

As of December 31, 2025, we had net current assets of RMB35.3 million, which decreased to net current liabilities of RMB33.0 million as of March 31, 2026. This decrease was primarily due to a significant increase in contract liabilities and bank loans and other borrowings, partially offset by the reclassification of assets held for sale as of December 31, 2025, which were no longer present as of March 31, 2026 following the completion of the disposal of Suining Chaojie. In particular, contract liabilities increased by RMB189.2 million from RMB78.9 million as of December 31, 2025 to RMB268.1 million as of March 31, 2026, primarily due to advanced payments received from customers for new projects we secured.

As of December 31, 2024, we had net current liabilities of RMB63.4 million, which turned to net current assets of RMB35.3 million as of December 31, 2025. This increase was primarily due to a significant increase in cash and cash equivalents, primarily attributable to our business growth, and the reclassification of assets held for sale, partially offset by the increase in bank loans and other borrowings.

Our net current liabilities decreased from RMB156.5 million as of December 31, 2023 to RMB63.4 million in 2024. This decrease was primarily due to a significant reduction in trade and other payables, contract liabilities, and an increase in trade and other receivables, as result of improved working capital management, partially offset by the decrease in inventories and contract costs as result of project delivery and improved inventory turnover.

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Inventories and contract costs

Our inventories and contract costs primarily consist of: (i) contract costs representing the costs incurred to fulfill customer contracts for which relevant revenue had not been recognized; and (ii) finished goods primarily comprising equipment for future intelligent energy efficiency solutions. The following table sets forth details of our inventories and contract costs as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract costs	196,510	125,756	89,547
Finished goods	71,755	26,111	5,657
Write-down of inventories and contract costs	(1,472)	(2,765)	(4,110)
Total	266,793	149,102	91,094

Our inventories and contract costs decreased by RMB117.7 million from RMB266.8 million as of December 31, 2023 to RMB149.1 million as of December 31, 2024, and further decreased by RMB58.0 million to RMB91.1 million as of December 31, 2025. The decrease was primarily attributable to: (i) a reduction in the number of intelligent energy efficiency projects undertaken by us, leading to a significant decrease in contract costs; and (ii) a corresponding reduction in finished goods, along with the completion of intelligent energy efficiency solutions projects, as well as the decrease in the volume of new projects secured.

We conduct a full inventory count annually. For inventories without binding sales orders, we perform impairment testing on an item-by-item basis at year-end, recognizing impairment losses for the amount by which the net realizable value is lower than the carrying cost. We implement targeted measures to track such inventories with the aim of reselling them or utilizing them in our investment projects as soon as practicable to avoid asset losses.

The following table sets forth our inventories and contract costs turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Inventories and contract costs turnover days ⁽¹⁾	119	128	88

Note:

1. Calculated using the average of opening and closing balances of inventories and contract costs for such years divided by cost of sales for the relevant years, multiplied by the number of days in the reporting period, the number of days in the reporting period is 365 for a full fiscal year.

Our inventories and contract costs turnover days remained relatively stable at 119 days in 2023 and 128 days in 2024. Our inventories and contract costs turnover days decreased from 128 days in 2024 to 88 days in 2025, consistent with the decrease in the scale of intelligent energy efficiency solutions projects, which accelerated the completion and settlement of existing projects and improved the overall turnover efficiency of inventories and contract costs.

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Trade and other payables

The following table sets forth details of our trade and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	348,946	219,384	251,968
Bills payables	132,444	74,261	5,319
Accrued payrolls	12,089	8,846	10,064
Other tax payables	8,317	1,840	23,837
Other payables and accruals	14,598	14,767	25,915
Total	516,394	319,098	317,103

Our trade and other payables decreased from RMB516.4 million as of December 31, 2023 to RMB319.1 million as of December 31, 2024, and further decreased to RMB317.1 million as of December 31, 2025, which is primarily attributable to the decrease in revenue from our intelligent energy efficiency solutions, resulting our decrease in purchases during the Track Record Period.

The following table sets forth our trade payables turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	168	174	174

Note:

1. Calculated using the average of opening and closing balances of trade payables for such years divided by cost of sales for the relevant years, multiplied by the number of days in the reporting period, the number of days in the reporting period is 365 for a full fiscal year.

Our trade payables turnover days remained relatively stable during the Track Record Period.

As of March 31, 2026, RMB62.7 million or 24.9% of our trade payables as of December 31, 2025, had been settled.

Our Directors confirm that we had no material defaults in our trade payables during the Track Record Period and up to the Latest Practicable Date.

Contract Assets and Contract Liabilities

A contract asset is recognized when we recognize revenue before being unconditionally entitled to consideration under the terms in the contract. Contract assets are assessed for expected credit losses and are reclassified to receivables when the right to the consideration becomes unconditional. A contract liability is recognized when the customer pays non-refundable consideration before we recognize the related revenue. A contract liability is also recognized if we have an unconditional right to receive non-refundable consideration before we recognize the related revenue. In such latter cases, a corresponding receivable is also recognized.

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As of December 31, 2023, 2024 and 2025, our current and non-current contract assets were RMB68.2 million, RMB79.5 million and RMB37.0 million, respectively, and our contract liabilities were RMB109.0 million, RMB74.6 million and RMB78.9 million as of the respective dates. The fluctuations in our contract liabilities during the Track Record Period were mainly attributable to the fluctuations in the number of contracts where the relevant performance obligations were not satisfied.

Non-Current Assets and Non-Current Liabilities

The following table sets forth the components of our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	464,129	509,204	438,535
Right-of-use assets	5,440	6,276	9,793
Intangible assets	26,245	25,127	30,995
Goodwill	–	–	17,178
Interests in an associate	11,447	16,822	22,302
Contract assets	23,454	24,041	12,032
Trade and other receivables	7,343	5,718	5,263
Deferred tax assets	27,040	29,510	42,712
Total non-current assets	565,098	616,698	578,810
Non-current liabilities			
Bank loans and other borrowings	171,833	275,193	281,384
Lease liabilities	4,811	5,508	5,423
Deferred tax liabilities	–	–	1,582
Total non-current liabilities	176,644	280,701	288,389

Property, Plant and Equipment

Our property, plant and equipment primarily consist of: (i) machinery and equipment; (ii) office and other equipment; (iii) leasehold improvements; and (iv) construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Machinery and equipment	433,183	441,620	389,525
Office and other equipment	613	1,030	1,137
Leasehold improvements	–	552	1,820
Construction in progress	30,333	66,002	46,053
Total	464,129	509,204	438,535

Our property, plant and equipment increased by RMB45.1 million from RMB464.1 million as of December 31, 2023 to RMB509.2 million as of December 31, 2024, primarily due to an increase in construction in progress, and machinery and equipment attributable to our investing in our intelligent energy operation and management solutions.

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Our property, plant and equipment decreased by RMB70.7 million from RMB509.2 million as of December 31, 2024 to RMB438.5 million as of December 31, 2025, primarily due to decrease in machinery and equipment and construction in progress attributable to the proposed disposal of Suining Chaojie. For details, see “History, Development and Corporate Structure — Disposal of Suining Chaojie” in this document.

Trade and other receivables

Our current trade and other receivables comprise net trade receivables, bills receivable, deposits, value-added tax recoverable, prepayments to suppliers and other receivables. Our non-current trade and other receivables comprise trade receivables and others. The following table sets forth the breakdown of our current and non-current trade and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Net trade receivables	201,446	243,123	266,655
Bills receivable	17,563	53,697	38,742
Deposits	2,444	3,419	3,405
Value-added tax recoverable	17,069	14,714	7,462
Prepayments to suppliers	27,694	14,833	52,169
Other receivables	2,442	1,564	4,520
	268,658	331,350	372,953
Non-current			
Trade receivables	6,917	5,571	5,201
Others	426	147	62
	7,343	5,718	5,263

Our current trade and other receivables increased by RMB62.7 million from RMB268.7 million as of December 31, 2023 to RMB331.4 million as of December 31, 2024, primarily due to the growth in net trade receivables and bill receivables as a result of the increase in revenue from our intelligent energy operation and management solutions. Our current trade and other receivables increased by RMB41.6 million from RMB331.4 million as of December 31, 2024 to RMB373.0 million as of December 31, 2025, primarily due to the continued growth in net trade receivables as a result of further increase in revenue from our intelligent energy operation and management solutions.

We generally grant credit terms up to 90 days to our customers. The following table sets forth our trade receivables turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	91	113	149

Note:

1. Calculated using the average of opening and closing balances of trade receivables for such years divided by revenue for the relevant years, multiplied by the number of days in the reporting period, the number of days in the reporting period is 365 for a full fiscal year.

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Our trade receivables turnover days increased from 91 days in 2023 to 113 days in 2024, primarily due to receivables from certain projects remaining uncollected at the end of 2024. Our trade receivables turnover days further increased to 149 days in 2025, primarily due to a decrease in revenue in our intelligent energy efficiency solutions as we strategically shifted our business focus toward higher-margin intelligent energy operation and management solutions.

As of March 31, 2026, RMB153.6 million or 47.8% of our trade receivables as of December 31, 2025, had been settled.

Right-of-use Assets

Our right-of-use assets in relation to lease obligations increased by RMB0.9 million from RMB5.4 million as of December 31, 2023 to RMB6.3 million as of December 31, 2024. Our right-of-use assets increased by RMB3.5 million from RMB6.3 million as of December 31, 2024 to RMB9.8 million as of December 31, 2025, primarily due to the acquisition of Guangdong Haiborui, pursuant to which we assumed certain lease obligations and recognized corresponding right-of-use assets.

Intangible Assets

Our intangible assets consist of: (i) software; (ii) patented technologies; and (iii) concession rights. Concession rights represent our rights under a 30-year build-operate-transfer agreement with a local government authority for the supply of heating and cooling services, after which the facilities will be transferred to the grantor without consideration. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Software	102	333	816
Patented technologies	1,444	1,081	7,452
Concession rights	24,699	23,713	22,727
Total	26,245	25,127	30,995

Our intangible assets decreased by RMB1.1 million from RMB26.2 million as of December 31, 2023 to RMB25.1 million as of December 31, 2024, primarily due to the amortization of intangible assets. Our intangible assets increased by RMB5.9 million from RMB25.1 million as of December 31, 2024 to RMB31.0 million as of December 31, 2025, primarily due to an increase in patented technologies as a result of the acquisition of Guangdong Haiborui.

Interests in an Associate

Our interests in an associate increased by RMB5.4 million from RMB11.4 million as of December 31, 2023 to RMB16.8 million as of December 31, 2024 and further increased to RMB22.3 million as of December 31, 2025, primarily due to the continuous growth in the operating performance of Huzhou Enjie and our increased share of its profit.

Goodwill

Our goodwill was nil as of December 31, 2023 and 2024. For the year ended December 31, 2025, we recognized goodwill of RMB17.2 million in connection with the acquisition of Guangdong Haiborui. For further details of the goodwill impairment testing, see Note 14 of the Accountants' Report set out in Appendix I to this document.

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Deferred tax assets

Our deferred tax assets remained relatively stable at RMB27.0 million as of December 31, 2023 and RMB29.5 million as of December 31, 2024. Our deferred tax assets increased significantly to RMB42.7 million as of December 31, 2025, primarily due to recognition of deferred tax assets arising from temporary differences of unrealised profits.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have historically funded our cash requirements principally from proceeds from our business operations, capital contributions from shareholders and bank borrowings. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations and the [REDACTED] from the [REDACTED]. We do not anticipate any changes in the availability of financing to fund our operations in the future.

Cash flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities .	56,923	(82,495)	134,511
Net cash used in investing activities.	(170,189)	(89,765)	(82,094)
Net cash generated from financing activities.	128,942	164,578	30,158
Net increase/(decrease) in cash and cash equivalents	15,676	(7,682)	82,575
Cash and cash equivalents of a disposal group classified as held for sale	–	–	(11,844)
Cash and cash equivalents at the beginning of the year	58,710	74,386	66,704
Cash and cash equivalents at the end of the year . .	74,386	66,704	137,435

Net Cash Generated from/(Used in) from Operating Activities

Our net cash generated from/(used in) operating activities reflect our profit before taxation adjusted for: (i) non-cash and non-operating items (such as depreciation or amortization of non-current assets); and (ii) the effects of movement in working capital (such as inventories, receivables and payables).

In 2025, we had net cash generated from operating activities of RMB134.5 million, which primarily represented our profit before taxation of RMB58.1 million, adjusted by: (i) non-cash items and non-operating items, primarily comprising depreciation and amortization of property, plant and equipment of RMB52.6 million, depreciation and amortization of right-of-use assets of RMB1.2 million, depreciation and amortization of intangible assets of RMB1.9 million, finance costs of RMB20.7 million, and partially offset by interest income from bank deposits of RMB0.9 million, share of profits of an associate of RMB5.5 million and net gain on disposal of property, plant and equipment of RMB1.2 million; (ii) movements in working capital, mainly comprising a decrease in inventories and contract costs of RMB64.9 million, an increase in trade and other payables of RMB29.8 million, and a

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decrease in restricted bank deposits of RMB12.0 million, partially offset by an increase in trade and other receivables of RMB76.4 million, an increase in contract assets of RMB3.1 million and a decrease in contract liabilities of RMB2.2 million.

In 2024, we had net cash used in operating activities of RMB82.5 million, which primarily represented our profit before taxation of RMB61.1 million, adjusted by: (i) non-cash items and non-operating items, primarily comprising interest income from bank deposits of RMB1.5 million, shares of profits of an associate of RMB2.6 million, net gain on disposal of property, plant and equipment of RMB0.3 million, and partially offset by depreciation and amortization of property, plant and equipment of RMB45.9 million, depreciation and amortization of right-of-use assets of RMB0.9 million, depreciation and amortization of intangible assets of RMB1.8 million, finance costs of RMB20.1 million and impairment loss on property, plant and equipment of RMB0.4 million; (ii) movements in working capital, mainly comprising an increase in trade and other receivables of RMB61.6 million, an increase in contract assets of RMB10.8 million, an increase in restricted bank deposits of RMB4.5 million, a decrease in trade and other payables of RMB197.3 million, a decrease in contract liabilities of RMB34.4 million, partially offset by a decrease in inventories and contract costs of RMB117.7 million.

In 2023, we had net cash generated from operating activities of RMB56.9 million, which primarily represented our profit before taxation of RMB33.8 million, adjusted by: (i) non-cash items and non-operating items, primarily comprising depreciation and amortization of property, plant and equipment of RMB34.8 million, depreciation and amortization of right-of-use assets of RMB0.3 million, depreciation and amortization of intangible assets of RMB1.1 million, impairment loss on property, plant and equipment of RMB3.3 million, finance costs of RMB12.6 million, shares of profits of an associate of RMB6.9 million, and partially offset by interest income from bank deposits of RMB1.8 million, and net gain on disposal of property, plant and equipment of RMB1.4 million; (ii) movements in working capital, mainly comprising an increase in trade and other payables of RMB295.4 million and an increase in contract liabilities of RMB65.8 million, partially offset by an increase in inventories and contract costs of RMB180.3 million, an increase in trade and other receivables of RMB127.5 million, an increase in contract assets of RMB68.4 million, and an increase in restricted bank deposits of RMB9.5 million.

Net Cash Used in Investing Activities

In 2025, our net cash used in investing activities was RMB82.1 million, primarily due to: (i) payments for purchase of property, plant and equipment and intangible assets of RMB79.5 million; and (ii) payments for the acquisition of Guangdong Haiborui of RMB15.2 million; partially offset by (i) proceeds from disposal of property, plant and equipment of RMB6.6 million; (ii) a decrease in time deposits with original maturity over three months of RMB4.9 million; and (iii) interest received of RMB1.0 million.

In 2024, our net cash used in investing activities was RMB89.8 million, primarily due to: (i) payments for purchase of property, plant and equipment and intangible assets of RMB93.6 million; and (ii) payments for the acquisition of interests in an associate of RMB2.8 million, partially offset by (i) proceeds from disposal of property, plant and equipment of RMB2.4 million; (ii) a decrease in time deposits with original maturity over three months of RMB2.8 million; and (iii) interest received of RMB1.4 million.

In 2023, our net cash used in investing activities was RMB170.2 million, primarily due to: (i) payment for purchase of property, plant and equipment and intangible assets of RMB168.0 million; (ii) payments for the acquisition of interests in an associate of RMB6.0 million; and (iii) an increase in time deposits with original maturity over three months of RMB7.7 million, partially offset by (i) proceeds from disposal of property, plant and equipment of RMB9.7 million; and (ii) interest received of RMB1.8 million.

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Net Cash Generated from Financing Activities

In 2025, we had net cash generated from financing activities of RMB30.2 million, primarily attributable to proceeds from bank loans and other borrowings of RMB462.0 million, partially offset by (i) repayment of bank loans and other borrowings of RMB415.1 million; and (ii) interest paid of RMB15.8 million.

In 2024, we had net cash generated from financing activities of RMB164.6 million, primarily attributable to proceeds from bank loans and other borrowings of RMB419.5 million, partially offset by: (i) repayment of bank loans and other borrowings of RMB223.1 million; (ii) interest paid of RMB22.8 million; and (iii) payment of dividends to equity shareholders of our Company of RMB8.0 million.

In 2023, we had net cash generated from financing activities of RMB128.9 million, primarily attributable to proceeds from bank loans and other borrowings of RMB250.4 million, partially offset by: (i) repayment of bank loans and other borrowings of RMB106.3 million; and (ii) interest paid for of RMB14.5 million.

WORKING CAPITAL CONFIRMATION

During the Track Record Period, we met our working capital requirements primarily from cash generated from operations and bank and other borrowings. Taking into account the financial resources available to us, including cash and cash equivalents, available banking facilities, cash flows from operating activities and estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

INDEBTEDNESS

As of December 31, 2023, December 31, 2024, December 31, 2025 and March 31, 2026, and our indebtedness included bank loans and other borrowings, and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current				
Bank loans and other borrowings . .	202,476	293,350	339,609	406,477
Lease liabilities	694	830	4,909	2,288
Non-current				
Bank loans and other borrowings . .	171,833	275,193	281,384	188,539
Lease liabilities	4,811	5,508	5,423	11,034
Total	379,814	574,881	631,325	608,338

Bank loans and other borrowings

As of December 31, 2023, 2024 and 2025, we had bank loans and other borrowings (including current and non-current portions) of RMB374.3 million, RMB568.5 million and RMB621.0 million, respectively, mainly representing: (i) secured bank loans; (ii) secured related party loans; (iii) unsecured bank loans; and (iv) unsecured related party loans primarily to supplement our working capital and

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investing activities. Our bank loans and other borrowings are primarily denominated in Renminbi. The annual interest rate on our bank loans and other borrowings ranged from 2.5% to 4.65% during the Track Record Period. See Notes 23 and 27 to the Accountants’ Report in Appendix I to this document. As of March 31, 2026, our unutilized banking facilities amounted to RMB767.5 million.

Our Directors confirm that there has been no material change in our indebtedness position since March 31, 2026, being the latest practicable date for the purpose of the indebtedness statement, and up to the date of this document. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank borrowings, we did not have plans for other material external debt financing.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulty in obtaining bank loans and other borrowings. We had no default in repayment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease liabilities

Leases are initially recognized as right-of-use assets and corresponding liability at the date when the leased asset is available for use by our Group. As of December 31, 2023, 2024 and 2025, our lease liabilities amounted to RMB5.5 million, RMB6.3 million and RMB10.3 million, respectively.

CONTINGENT LIABILITIES

As of December 31, 2023, December 31, 2024, December 31, 2025 and March 31, 2026, we did not have any material contingent liabilities. Our Directors confirm that there had been no material change in our contingent liabilities since March 31, 2026 and up to the Latest Practicable Date.

OFF-BALANCE SHEET TRANSACTIONS

We had not entered into any material off-balance sheet transactions or arrangements as of the Latest Practicable Date.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted of payment for property, plant and equipment and intangible assets.

	As of December 31,		
	2023	2024	2025
	RMB'000		
Payment for purchase of property, plant and equipment and intangible assets	167,968	93,578	79,476

In 2023, 2024 and 2025, our capital expenditures were RMB168.0 million, RMB93.6 million and RMB79.5 million, respectively. We funded these expenditures mainly with cash generated from our business operations and cash generated from financing activities.

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CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had no significant investments contracted for at the end of the year but not recognized as liabilities.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 29 to the Accountants’ Report in Appendix I to this document.

We enter into transactions with our related parties from time to time. It is the view of our Directors that each of the related party transactions set out in Note 29 to the Accountants’ Report in Appendix I to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our historical results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the date or for the year indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin ⁽¹⁾	15.8%	19.3%	22.5%
EBITDA margin ⁽²⁾	12.9%	17.6%	21.1%
Net profit margin ⁽³⁾	5.0%	6.6%	7.9%
Current ratio ⁽⁴⁾	0.81	0.91	1.04
Return on equity ⁽⁵⁾	14.8%	20.1%	17.1%
Return on assets ⁽⁶⁾	3.3%	3.9%	3.8%

Notes:

- (1) Gross profit margin equals gross profit for the year divided by revenue for the year and multiplied by 100%.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue for the year and multiplied by 100%.
- (3) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.
- (4) Current ratio is calculated by dividing total current assets by total current liabilities as of the same date.
- (5) Return on equity is calculated based on profit for the year attributable to equity shareholders of our Company divided by the arithmetic mean of the opening and closing balances of total equity attributable to equity shareholders of our Company and multiplied by 100%.
- (6) Return on assets is calculated based on profit for the year attributable to owners of our Company divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.

FINANCIAL RISKS MANAGEMENT

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and currency risk as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details, see Note 27 to the Accountants’ Report in Appendix I to this document.

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Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables and contract assets. Our exposure to credit risk arising from cash and cash equivalents, restricted bank deposits, time deposits and bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, which the Group considers to represent low credit risk.

Liquidity risk

Our policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The fair value interest rate risk and cash flow interest rate risk that the Group exposed to are not significant.

Currency risk

We mainly operate in Chinese Mainland, and most of our monetary assets and liabilities are denominated in RMB. The management considers our exposure to currency risk is not significant.

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutions documents and the relevant laws.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

Although we do not currently have a standalone formal dividend policy, our Articles of Association provide for a cash dividend policy which stipulates that the cumulative amount of dividends distributed in cash over the past three years shall not be less than 10% of the average annual distributable profit realized over the past three years. The implementation of this policy remains subject to our actual profitability, cash flow, future development needs and other relevant factors. We declared dividends of nil, RMB8.0 million and nil in 2023, 2024 and 2025. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained earnings of RMB87.3 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

[REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Appendix II — [REDACTED] Financial Information” to this document for details of our [REDACTED] adjusted net tangible assets.

[REDACTED]

The estimated total [REDACTED] (based on the mid-point of our [REDACTED] [REDACTED] for the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (or [REDACTED]% of the [REDACTED] estimated to be received by us from the [REDACTED]), of which an estimated amount of approximately RMB[REDACTED] million is expected to be charged to profit or loss and the remaining amount of approximately RMB[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. The estimated total [REDACTED] expenses comprise: (i) [REDACTED]-related expenses, including [REDACTED], of approximately RMB[REDACTED] million; and (ii) non-[REDACTED]-related expenses of approximately RMB[REDACTED] million, including (a) fees paid and payable to legal advisers and reporting accountant of approximately RMB[REDACTED] million; and (b) other fees and expenses, including sponsor fees, of approximately RMB[REDACTED] million.

The [REDACTED] expenses above are the current estimate for reference only and the final amount to be recognized to our consolidated income statement is subject to audit and the then changes in variables and assumptions.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the years reported on in the Accountants’ Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants’ Report as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business – Our Strategies” for a detailed description of our future plans and strategies.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting estimated [REDACTED] commissions, fees and expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share, and assuming the [REDACTED] is not exercised. We currently intend to apply these [REDACTED] for the following purposes:

- Approximately [REDACTED]%, HK\$[REDACTED] million, will be used to fund the upfront investment of selected new intelligent energy operation and management projects. We will prioritize projects in AIDC, carbon-neutral industrial parks, and traditional energy-intensive industries, including chemical and metallurgical sectors. This investment will expand our project pipeline and delivery capabilities. Under intelligent energy operation and management solutions, we bear the upfront investment of project design, equipment procurement, engineering construction, system installation, etc.. Accordingly, we require sufficient upfront capital to initiate and construct these projects.

We will allocate this portion of the [REDACTED] to cover the investment of secured projects, including funding for project investment, equipment procurement, engineering construction, and operational deployment. Specifically, we plan to deploy approximately HK\$[REDACTED] million in 2026, and approximately HK\$[REDACTED] million in 2027 for the upfront costs of new projects.

If the [REDACTED] allocated for these purposes are insufficient, we intend to cover any shortfall through internal funds or debt financing.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for core product iterations and technology R&D. This investment will strengthen our software and product capabilities, enhance the performance of our core products, and deepen the integration of AI into our energy management solutions. Specifically,
 - o approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for AI and software systems R&D. We will upgrade our energy and carbon management platform to enhance multi-system integration, coordination analytics, energy monitoring, energy efficiency analysis, carbon emission accounting, load forecasting, and dispatching functions, and will optimize the algorithms of our GLJC-AIBox to improve load forecasting accuracy and system coordination control.

Of this allocation, we intend to invest approximately HK\$[REDACTED] million in 2027, approximately HK\$[REDACTED] million in 2028, and approximately HK\$[REDACTED] million in 2029 and 2030, supported by the recruitment of seven, 10, 11, and 11 R&D personnel, respectively, with estimated average annual personnel costs of approximately HK\$[REDACTED] million in each of 2027, 2028, 2029 and 2030.

FUTURE PLANS AND USE OF [REDACTED]

- o approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the R&D and iteration of our core products. We will upgrade our self-developed evaporate cooling product series to improve energy efficiency, operational stability and scenario adaptability. Additionally, we will develop heating core products to complete our integrated cooling and heating hardware portfolio.

Of this allocation, we intend to invest approximately HK\$[REDACTED] million in 2027, approximately HK\$[REDACTED] million in 2028, approximately HK\$[REDACTED] million in 2029, and HK\$[REDACTED] million in 2030, supported by the recruitment of seven, 10, 12, and 13 R&D personnel, respectively, with estimated average annual personnel costs of approximately HK\$[REDACTED] million in each of 2027, 2028, 2029 and 2030.

Our goal is to enhance our software and product capabilities to provide customers with comprehensive energy management solutions, and this R&D investment will primarily fund investments in R&D platforms and software, as well as additional headcount and personnel-related expenses.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to expand into new sectors, including AIDC and carbon-neutral industrial parks, and to commercialize self-developed products. This investment will strengthen our presence in emerging markets, support the commercialization of our products, and establish a foundation for international expansion. Specifically,

- o approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to recruit professional teams with experience in AIDC intelligent energy operation and management solutions, carbon-neutral industrial park planning, data center energy savings, integrated energy operations, and large-scale project development, including personnel specialized in AIDC design, operations, and sales. We will focus our recruitment on core domestic regions, primarily including Yangtze River Delta, the Pearl River Delta, and the Beijing-Tianjin-Hebei region.

Of this allocation, we intend to recruit 12, 16, 25, and 30 personnel in 2027, 2028, 2029 and 2030, respectively, with an average annual personnel cost of approximately ranging from HK\$[REDACTED] million to HK\$[REDACTED] million from 2027 to 2030.

- o approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to for demonstration applications, scenario adaptation and optimization, and large-scale commercial promotion of our self-developed evaporate cooling products and heating core products for domestic and overseas customers. This will facilitate the deployment of our products in key domestic regions and the Southeast Asian market. To support our overseas expansion, with an emphasis on Southeast Asia as our target market, we plan to establish an overseas team to drive project acquisition and delivery in new international sectors.

Of this allocation, we intend to recruit three, four, six and six personnel in 2027, 2028, 2029 and 2030, respectively, with an average annual personnel cost of approximately HK\$[REDACTED] million in each of 2027, 2028, 2029 and 2030.

FUTURE PLANS AND USE OF [REDACTED]

Additionally, for demonstration applications, scenario adaptation and optimization, and commercial promotion activities, we intend to invest approximately HK\$[REDACTED] million in 2026, approximately HK\$[REDACTED] million in each of 2027, 2028 and 2029, and approximately HK\$[REDACTED] million in 2030.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the estimated [REDACTED] range or that the [REDACTED] is exercised.

In the event that the [REDACTED] is exercised in full, we will receive additional [REDACTED] ranging from approximately HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the low-end of the proposed [REDACTED] range) to HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the high-end of the proposed [REDACTED] range), after deduction of [REDACTED] fees and commissions and estimated expenses payable by us in connection with the [REDACTED].

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to apply the [REDACTED] into short-term demand deposits with authorized financial institutions or licensed banks. We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purpose.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

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HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I – 1 to I – [78], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUOLIAN GREEN TECHNOLOGY (WUXI) CO., LTD. 國聯綠色科技(無錫)股份有限公司, SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED AND GUOLIAN SECURITIES INTERNATIONAL CAPITAL MARKET CO., LIMITED

Introduction

We report on the historical financial information of Guolian Green Technology (Wuxi) Co., Ltd.* 國聯綠色科技(無錫)股份有限公司 (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I – 3 to I – [78], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2023, 2024 and 2025 (the “**Track Record Period**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I – 3 to I – [78] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**Document**”) in connection with the [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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ACCOUNTANTS’ REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I – 3 have been made.

Dividends

We refer to Note 26(c) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	Note	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	4	642,168	737,083	639,205
Cost of sales		(540,845)	(595,034)	(495,364)
Gross profit		101,323	142,049	143,841
Other net income	5	3,908	2,436	2,949
Selling expenses		(12,806)	(14,285)	(16,089)
Administrative expenses		(28,520)	(35,929)	(36,123)
Research and development expenses		(10,899)	(9,920)	(10,886)
Impairment loss on financial assets		(9,417)	(6,747)	(9,736)
Profit from operations		43,589	77,604	73,956
Finance costs	6(a)	(12,612)	(20,113)	(20,738)
Share of profits of an associate		2,859	3,653	4,895
Profit before taxation	6	33,836	61,144	58,113
Income tax	7	(1,858)	(12,487)	(7,653)
Profit and total comprehensive income for the year		31,978	48,657	50,460
Attributable to:				
Equity shareholders of the Company		31,130	49,541	50,028
Non-controlling interests		848	(884)	432
Profit and total comprehensive income for the year		31,978	48,657	50,460
Earnings per share	10			
Basic and diluted (RMB)		0.16	0.25	0.25

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	464,129	509,204	438,535
Right-of-use assets	12	5,440	6,276	9,793
Intangible assets	13	26,245	25,127	30,995
Goodwill	14	–	–	17,178
Interests in an associate	16	11,447	16,822	22,302
Contract assets	18(a)	23,454	24,041	12,032
Trade and other receivables	19	7,343	5,718	5,263
Deferred tax assets	25(b)	27,040	29,510	42,712
		<u>565,098</u>	<u>616,698</u>	<u>578,810</u>
Current assets				
Inventories and contract costs	17	266,793	149,102	91,094
Contract assets	18(a)	44,723	55,470	24,996
Trade and other receivables	19	268,658	331,350	372,953
Time deposits	20(b)	7,714	4,990	–
Restricted bank deposits	20(a)	20,464	24,932	12,884
Cash and cash equivalents	20(a)	74,386	66,704	137,435
Assets held for sale	21	–	–	194,454
		<u>682,738</u>	<u>632,548</u>	<u>833,816</u>
Current liabilities				
Trade and other payables	22	516,394	319,098	317,103
Contract liabilities	18(b)	108,965	74,602	78,852
Bank loans and other borrowings	23	202,476	293,350	339,609
Lease liabilities	24	694	830	4,909
Income tax payable	25(a)	10,683	8,028	8,932
Liabilities associated with assets held for sale	21	–	–	49,109
		<u>839,212</u>	<u>695,908</u>	<u>798,514</u>
Net current (liabilities)/assets		<u>(156,474)</u>	<u>(63,360)</u>	<u>35,302</u>
Total assets less current liabilities		<u>408,624</u>	<u>553,338</u>	<u>614,112</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
	Note			
Non-current liabilities				
Bank loans and other borrowings	23	171,833	275,193	281,384
Lease liabilities	24	4,811	5,508	5,423
Deferred tax liabilities	25(b)	–	–	1,582
		<u>176,644</u>	<u>280,701</u>	<u>288,389</u>
Net assets		<u>231,980</u>	<u>272,637</u>	<u>325,723</u>
Capital and reserves				
Paid-in capital	26(b)	200,000	–	–
Share capital	26(b)	–	200,000	200,000
Reserves		<u>26,222</u>	<u>67,763</u>	<u>117,791</u>
Total equity attributable to equity shareholders of the Company		226,222	267,763	317,791
Non-controlling interests		<u>5,758</u>	<u>4,874</u>	<u>7,932</u>
Total equity		<u>231,980</u>	<u>272,637</u>	<u>325,723</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	345,230	401,765	325,934
Right-of-use assets		1,086	629	517
Intangible assets		1,546	1,414	868
Interests in subsidiaries	15	67,000	102,000	131,112
Interests in an associate	16	11,447	16,822	22,302
Contract assets	18(a)	23,454	24,041	12,032
Trade and other receivables	19	7,181	5,605	5,200
Deferred tax assets		7,287	10,910	10,942
		<u>464,231</u>	<u>563,186</u>	<u>508,907</u>
Current assets				
Inventories and contract costs	17	266,207	140,222	88,210
Contract assets	18(a)	44,723	55,470	24,996
Trade and other receivables	19	284,890	243,537	485,210
Time deposits	20(b)	7,714	4,990	–
Restricted bank deposits	20(a)	20,464	24,878	11,292
Cash and cash equivalents	20(a)	53,118	43,469	100,335
Assets held for sale		–	–	3,000
		<u>677,116</u>	<u>512,566</u>	<u>713,043</u>
Current liabilities				
Trade and other payables	22	447,386	272,323	268,189
Contract liabilities	18(b)	99,642	63,642	65,060
Bank loans and other borrowings	23	180,379	258,431	325,292
Lease liabilities		457	473	475
Income tax payable		5,457	4,392	5,046
		<u>733,321</u>	<u>599,261</u>	<u>664,062</u>
Net current (liabilities)/assets		<u>(56,205)</u>	<u>(86,695)</u>	<u>48,981</u>
Total assets less current liabilities		<u>408,026</u>	<u>476,491</u>	<u>557,888</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
	Note			
Non-current liabilities				
Bank loans and other borrowings	23	148,863	201,823	203,064
Lease liabilities		<u>566</u>	<u>93</u>	<u>31</u>
Total non-current liabilities		<u>149,429</u>	<u>201,916</u>	<u>203,095</u>
Net assets		<u>258,597</u>	<u>274,575</u>	<u>354,793</u>
Capital and reserves				
Paid-in capital.	26(b)	200,000	–	–
Share capital.	26(b)	–	200,000	200,000
Reserves		<u>58,597</u>	<u>74,575</u>	<u>154,793</u>
Total equity.		<u>258,597</u>	<u>274,575</u>	<u>354,793</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

		Attributable to equity shareholders of the Company						
		(Accumulated						
		Paid-in	Share	Share	PRC	losses)/	Non-	
		capital	capital	Premium	statutory	retained	controlling	Total equity
					reserves	earnings	interests	
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Balance at 1 January 2023	200,000	–	–	18	(4,926)	195,092	4,910
	Changes in equity for 2023:							
	Profit and total comprehensive income for the year	–	–	–	–	31,130	31,130	848
	Appropriation to statutory reserve	–	–	–	6,801	(6,801)	–	–
	Balance at 31 December 2023	200,000	–	–	6,819	19,403	226,222	5,758
	Balance at 1 January 2024	200,000	–	–	6,819	19,403	226,222	5,758
	Changes in equity for 2024:							
	Profit and total comprehensive income for the year	–	–	–	–	49,541	49,541	(884)
	Conversion into a joint stock limited liability company	26(b) (200,000)	200,000	57,650	(6,565)	(51,085)	–	–
	Dividend declared in respect of the previous year	26(c) –	–	–	–	(8,000)	(8,000)	–
	Appropriation to statutory reserve	–	–	–	1,444	(1,444)	–	–
	Balance at 31 December 2024	–	200,000	57,650	1,698	8,415	267,763	4,874
	Balance at 1 January 2025	–	200,000	57,650	1,698	8,415	267,763	4,874
	Changes in equity for 2025:							
	Profit and total comprehensive income for the year	–	–	–	–	50,028	50,028	432
	Appropriation to statutory reserve	–	–	–	8,134	(8,134)	–	–
	Acquisition of a subsidiary with non-controlling interests	–	–	–	–	–	–	2,567
	Capital contributions from non-controlling shareholders of a subsidiary	–	–	–	–	–	–	59
	Balance at 31 December 2025	–	200,000	57,650	9,832	50,309	317,791	7,932

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities:				
Cash generated from/(used in) operations	20(c)	65,297	(64,883)	151,992
Income tax paid.		(9,879)	(22,062)	(17,596)
Income tax refunded.		1,505	4,450	115
Net cash generated from/(used in) operating activities . .		56,923	(82,495)	134,511
Investing activities:				
Payment for purchase of property, plant and equipment and intangible assets.		(167,968)	(93,578)	(79,476)
Proceeds from disposal of property, plant and equipment . .		9,686	2,401	6,630
Payment for acquisition of interests in an associate.		(6,000)	(2,800)	–
Payment for acquisition of a subsidiary, net of cash acquired.		–	–	(15,182)
Interest received		1,805	1,448	986
(Increase)/decrease in time deposits with maturities over three months		(7,712)	2,764	4,948
Net cash used in investing activities		(170,189)	(89,765)	(82,094)
Financing activities:				
Proceeds from bank loans and other borrowings.	20(d)	250,424	419,478	462,039
Repayment of bank loans and other borrowings	20(d)	(106,296)	(223,089)	(415,114)
Interest paid.		(14,452)	(22,762)	(15,800)
Payment of dividends to equity shareholders of the Company		–	(8,000)	–
Capital contributions from non-controlling shareholders of a subsidiary		–	–	59
Capital element of lease rentals paid.	20(d)	(555)	(862)	(762)
Interest element of lease rentals paid.	20(d)	(179)	(187)	(264)
Net cash generated from financing activities.		128,942	164,578	30,158
Net increase/(decrease) in cash and cash equivalents . . .		15,676	(7,682)	82,575
Cash and cash equivalents of a disposal group classified as held for sale.		–	–	(11,844)
Cash and cash equivalents at the beginning of the year .		58,710	74,386	66,704
Cash and cash equivalents at the end of the year	20(a)	74,386	66,704	137,435

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 Basis of preparation and presentation of Historical Financial Information

Guolian Green Technology (Wuxi) Co., Ltd. (the “**Company**”), was incorporated in Wuxi, Jiangsu Province, People’s Republic of China (the “**PRC**”) on 28 April 2018 as a company with limited liability. The Company was converted from a limited liability company Guolian Green Technology (Wuxi) Co., Ltd. (國聯江森自控綠色科技(無錫)有限公司) into a joint stock limited liability company Guolian Green Technology (Wuxi) Co., Ltd. (國聯江森自控綠色科技(無錫)股份有限公司) under the PRC Company Law on 27 December 2024. On 21 January 2025, the Company was renamed as Guolian Green Technology (Wuxi) Co., Ltd. (國聯綠色科技(無錫)股份有限公司).

During the Track Record Period, the Company and its subsidiaries (together, the “**Group**”) are principally engaged in providing the customers with intelligent energy operation and management solutions and intelligent energy efficiency solutions.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Zhongxi CPAs (Special General Partnership) Wuxi Branch (中喜會計師事務所(特殊普通合夥)無錫分所). The audited financial statements of the Company for the year ended 31 December 2025 have not been issued as at the date of this report.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 32.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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2 Material accounting policy information

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except investment in debt and equity securities (see Note 2(f)) are stated at their fair value.

Non-current assets and disposal groups held-for-sale are stated at the lower of carrying amount and fair value less costs to sell (see Note 2(w)).

(b) Use of estimates and judgments

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see Note 2(w)).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An investment in an associate is accounted for using the equity method, unless it is classified as held-for-sale (or included in a disposal group classified as held-for-sale) (see Note 2(w)). It is initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which significant influence or joint control ceases.

When the Group’s share of losses exceeds its interest in the associate, the Group’s interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group’s interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group’s net investment in the associate (after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(i))).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

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(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(j)(ii)).

(f) Other investments in securities

The Group’s policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value, plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 27(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(t)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

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(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(j)(ii)).

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is initially recognised at cost. Cost comprises cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(v)). The construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss, as follows:

Machinery and equipment	4-20 years
Office and other equipment	3-5 years
Leasehold improvements	Over the shorter of the unexpired term of lease and the estimated useful lives
Right-of-use assets	Over the unexpired term of lease

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(j)(ii)).

Other intangible assets, including software, patented technologies and service concession assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(j)(ii)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets’ estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

	<u>Useful lives</u>	<u>Basis of determination</u>
Software	2 – 10 years	Expected years of economic benefits
Patented technologies.	4 – 10 years	Expected years of economic benefits
Concession rights	30 years	Expected years of economic benefits

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

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Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of changes and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

The Group has entered into a concession agreement with local government authority in China (“**the grantor**”) in respect of heading and cooling supply on a Build-Operate-Transfer (“**BOT**”) basis. Under the concession agreement, the Group builds the facilities and operates the facilities for a concession period of 30 years. Upon the expiry of the concession period, the Group would transfer these facilities to the grantor without consideration.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value assets such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

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The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(g) and 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(f)(i) and 2(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

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When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(i)(i), then the Group classifies the sub-lease as an operating lease.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted bank deposits, time deposits, trade receivables and other receivables);
- contract assets (see Note 2(l));
- non-equity securities measured at FVOCI (recycling) (see Note 2(f)(i)); and
- lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

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- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulties of the debtor;
- A breach of contract, such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract assets is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make sale.

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(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(k)(i)), property, plant and equipment (see Note 2(g)) or intangible assets (see Note 2(h)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(t)(i)).

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(t)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(t)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(t)(ii)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration, and only the passage of time is required before payment of that consideration is due.

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Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

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(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provision and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group’s assets under leases in the ordinary course of the Group’s business.

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Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

In determining whether the Group acts as a principal or an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group’s ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled. Revenue excludes value added tax and is after deduction of any trade rebates.

(a) Revenue from intelligent energy operation and management solutions

Revenue from intelligent energy operation and management solutions is recognised when relevant services are rendered to customers and is generally recognised over the service period. Under certain energy management contract (“EMC”) arrangements, revenue is recognised based on the agreed price and actual energy consumption by customers. Under certain EMC arrangements, revenue is recognised, revenue is recognised based on certain percentage of the energy-saving benefits.

(b) Revenue from intelligent energy efficiency solutions

Revenue from intelligent energy efficiency solutions is generally recognised when the customer takes possession of and accepts the products at the customers’ premises. Under certain contracts with customers, the Group acts as a principal and revenue is recognised in the gross amount of consideration to which the Group expects to be entitled. Under certain contracts with customers, the Group acts as an agent and revenue is recognised in the net amount of consideration that the Group retains after paying another party the consideration received in exchange for the goods to be provided by that party.

(ii) Revenue from other source and other income

(a) Dividend

Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established.

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(b) Interest income

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

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(w) *Non-current assets held-for-sale*

Non-current assets or disposal group comprising assets and liabilities are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets and financial assets (other than investments in subsidiaries, associates and joint ventures), which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held-for-sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(x) *Related parties*

- (a) A person, or a close member of that person’s family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group’s parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

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- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgements and estimates

(a) Critical accounting judgements in applying the Group’s accounting policies

In the process of applying the Group’s accounting policies, management has made the following accounting judgement:

(i) Lease classification for energy management contract arrangements

Management exercises significant judgement in determining whether EMC arrangements contain a lease and, if so, whether they are classified as finance leases or operating leases under IFRS 16. This judgement involves assessing whether substantially all the risks and rewards incidental to ownership of the underlying energy-saving assets are transferred to the customer, considering indicators such as the lease term relative to the assets’ economic life, the present value of contract payments, and the existence of a bargain purchase option.

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(b) Sources of estimation uncertainty

Note 14 contains information about the assumptions and their risk factors relating to goodwill. Other significant sources of estimation uncertainty in the process of applying the Group’s accounting policies are as follows:

(i) Impairment of EMC related property, plant and equipment and concession rights

If circumstances indicate that the carrying value of an asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in profit or loss. The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections.

(ii) Impairment of trade receivables

The Group’s management determines the loss allowance for expected credit losses on trade receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group’s management reassesses the loss allowance at each reporting period end.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses and related taxes. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect the Group’s profit or loss and net asset value.

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4 Revenue and segment reporting

(a) Revenue

The Group are principally engaged in providing the customers with intelligent energy operation and management solutions and intelligent energy efficiency solutions.

(i) Disaggregation of revenue

Disaggregation of revenue by service lines is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue from intelligent energy operation and management solutions	293,169	410,924	438,494
Revenue from intelligent energy efficiency solutions	348,999	326,159	200,711
	<u>642,168</u>	<u>737,083</u>	<u>639,205</u>

Disaggregation of revenue by the timing of revenue recognition is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Over time	293,169	410,924	438,494
Point in time	348,999	326,159	200,711
	<u>642,168</u>	<u>737,083</u>	<u>639,205</u>

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contracts that had an original expected duration of one year or less, or that the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity’s performance completed to date.

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(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group’s most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group’s most senior executive management makes resources allocation decisions based on internal management functions and assess the Group’s business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

(i) Geographic information

During the Track Record Period, as the Group does not have material operations outside the PRC, no geographic segment information is presented.

(ii) Information about major customers

During the Track Record Period, the Group’s customers with whom transactions have exceeded 10% of the Group’s revenue are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Customer A	182,113	284,814	262,325
Customer B	89,325	117,336	NA*
Customer C	85,926	NA*	NA*
Customer D	74,738	NA*	NA*

* Less than 10% of the Group’s revenue in the respective years.

5 Other net income

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest income from bank deposits	1,807	1,488	944
Government grants	754	653	810
Net gain on disposal of property, plant and equipment	1,352	303	1,232
Net gain on termination of leases	3	–	6
Others	(8)	(8)	(43)
	<u>3,908</u>	<u>2,436</u>	<u>2,949</u>

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6 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Finance costs			
Interest on bank loans and other borrowings	12,601	19,522	21,000
Interest on discounted bills	537	1,085	325
Interest on lease liabilities	179	187	264
Less: interest expense capitalised into property, plant and equipment	(705)	(681)	(851)
	<u>12,612</u>	<u>20,113</u>	<u>20,738</u>

During the years ended 31 December 2023, 2024 and 2025, the borrowing costs have been capitalised at a rate of 3.90%-4.65%, 3.75%-3.90%, and 3.45%-3.90% per annum respectively.

(b) Staff costs:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, wages and other benefits	35,792	41,651	48,697
Contributions to retirement schemes (Note)	<u>2,909</u>	<u>3,805</u>	<u>4,412</u>
	<u>38,701</u>	<u>45,456</u>	<u>53,109</u>

Note: Employees of the Group are required to participate in a defined contribution retirement plan administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the employee salary as required by the local municipal government to the scheme to fund the retirement benefits of the employees. The Group has no other material obligations for payments of pension benefits beyond the contributions above.

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(c) *Other items:*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation and amortisation			
– Property, plant and equipment	34,806	45,927	52,636
– Right-of-use assets.	310	859	1,237
– Intangible assets	1,139	1,846	1,857
	<u>36,255</u>	<u>48,632</u>	<u>55,730</u>
Impairment loss			
– Trade receivables and contract assets	9,026	5,754	6,414
– Bills receivable and other receivables	391	993	3,322
– Property, plant and equipment	3,345	431	–
– Inventories	797	1,292	1,345
	<u>13,559</u>	<u>8,470</u>	<u>11,081</u>
Research and development expenses (i)	10,899	9,920	10,886
Cost of inventories and contract costs (ii).	540,845	595,034	495,364

Notes:

- (i) During the years ended 31 December 2023, 2024 and 2025, research and development expenses include staff costs, depreciation and amortisation expenses, respectively, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.
- (ii) During the years ended 31 December 2023, 2024 and 2025, cost of inventories and contract costs include staff costs, depreciation and amortisation expenses, respectively, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

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7 Income tax

(a) Taxation in the consolidated statements of profit and loss and other comprehensive income represents:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current tax:			
Provision for the year (Note 25(a))	19,046	14,957	18,385
Deferred tax:			
Origination and reversal of temporary differences			
(Note 25(b))	(17,188)	(2,470)	(10,732)
	<u>1,858</u>	<u>12,487</u>	<u>7,653</u>

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit before taxation	33,836	61,144	58,113
Notional tax on profit before taxation, calculated at the rates applicable to profit in the tax jurisdictions concerned (i)	4,895	13,924	8,514
Tax effect of non-deductible expenses	627	350	463
Tax effect of non-taxable income or loss	(1,778)	(492)	(734)
Tax effect of tax losses and temporary differences not recognised	6	104	289
Tax effect of super deduction for research and development expenses (ii)	(1,368)	(1,285)	(1,488)
Others	(524)	(114)	609
Actual income tax expense	<u>1,858</u>	<u>12,487</u>	<u>7,653</u>

Notes:

- (i) Pursuant to the PRC income tax law and relevant regulations, the Company and its subsidiaries in the Chinese Mainland are subject to statutory income tax at a rate of 25%. During the Track Record Period, the Company and the Company’s subsidiary Wuxi Xinfa Zhilian Energy Conservation Co., Ltd. (無錫市新發智聯節能有限公司) were qualified as High and New Technology Enterprises (“HNTe”) and enjoyed a preferential income tax at a rate of 15%; certain subsidiaries were entitled to a preferential income tax at a rate of 5% as they were accredited as small and micro business.

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- (ii) According to the new tax incentive policies promulgated by the State Tax Bureau of the PRC, effective for the period from 1 January 2023, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income.

8 Directors’, Chief executive’s and Supervisors’ emoluments

Directors’, Chief executive’s and Supervisors’ emoluments as recorded in the Historical Financial Information are as follows:

For the year ended 31 December 2023	Directors’ fees	Salaries allowance and benefits in kind	Discretionary bonuses	Contributions to retirement scheme	Equity-settled share-based payment	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors:						
Mr. Zhong Wenjun	–	–	–	–	–	–
Mr. Jiang Zhijian	–	–	–	–	–	–
Mr. Zhou Jianwei	–	–	–	–	–	–
Mr. You Dan	–	–	–	–	–	–
Ms. Josephine Shen-Chuan Su (resigned on 20 July 2023)	–	–	–	–	–	–
Mr. Yang Guang (appointed on 20 July 2023 and resigned on 22 December 2023).	–	–	–	–	–	–
Mr. Guan Yu (appointed on 22 December 2023)	–	–	–	–	–	–
Mr. Wang Hong	–	–	–	–	–	–
Chief executive:						
Mr. Heng Size(i).	–	1,232	770	41	–	2,043
Supervisors:						
Ms. Yu Huimin (resigned on 27 April 2023)	–	–	–	–	–	–
Ms. Ding Zhuoya (appointed on 27 April 2023)	–	–	–	–	–	–
	–	1,232	770	41	–	2,043
For the year ended 31 December 2024	Directors’ fees	Salaries allowance and benefits in kind	Discretionary bonuses	Contributions to retirement scheme	Equity-settled share-based payment	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors:						
Mr. Zhong Wenjun (resigned on 30 April 2024)	–	–	–	–	–	–
Mr. Huang Yi (appointed on 18 April 2024)	–	–	–	–	–	–
Mr. Jiang Zhijian	–	–	–	–	–	–
Mr. Zhou Jianwei	–	–	–	–	–	–
Mr. You Dan	–	–	–	–	–	–
Mr. Guan Yu (resigned on 2 February 2024)	–	–	–	–	–	–
Ms. Han Song (appointed on 2 February 2024)	–	–	–	–	–	–
Mr. Wang Hong	–	–	–	–	–	–
Mr. Heng Size (appointed on 25 October 2024) (i).	–	1,308	646	43	–	1,997
Mr. Ying Qianwei (appointed on 25 October 2024).	13	–	–	–	–	13
Supervisors:						
Ms. Ding Zhuoya	–	–	–	–	–	–
Mr. Chen Zhihao (appointed on 25 October 2024) (ii).	–	268	66	35	–	369
Mr. Qiu Kun (appointed on 25 October 2024).	–	–	–	–	–	–
	13	1,576	712	78	–	2,379

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For the year ended 31 December 2025	Directors’ fees	Salaries allowance and benefits in kind	Discretionary bonuses	Contributions to retirement scheme	Equity-settled share-based payment	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors:						
Mr. Huang Yi	–	–	–	–	–	–
Mr. Jiang Zhijian (resigned on 16 April 2025)	–	–	–	–	–	–
Mr. Zhou Jianwei (resigned on 16 April 2025)	–	–	–	–	–	–
Ms. Tang Lin (appointed on 16 April 2025)	–	–	–	–	–	–
Ms. Ding Zhuoya (appointed on 16 April 2025)	–	–	–	–	–	–
Mr. You Dan (resigned on 26 June 2025)	–	–	–	–	–	–
Ms. Wang Ying (appointed on 26 June 2025)	–	–	–	–	–	–
Ms. Han Song	–	–	–	–	–	–
Mr. Wang Hong	–	–	–	–	–	–
Mr. Heng Size	–	1,400	605	46	–	2,051
Mr. Ying Qianwei	70	–	–	–	–	70
Supervisors:						
Ms. Ding Zhuoya (resigned on 16 April 2025)	–	–	–	–	–	–
Ms. Qian Rong (appointed on 16 April 2025)	–	–	–	–	–	–
Mr. Chen Zhihao	–	296	78	42	–	416
Mr. Qiu Kun	–	–	–	–	–	–
	<u>70</u>	<u>1,696</u>	<u>683</u>	<u>88</u>	<u>–</u>	<u>2,537</u>

Notes:

- (i) Mr. Heng Size was appointed as a director of the Company on 25 October 2024.
- (ii) Mr. Chen Zhihao was appointed as a supervisor of the Company on 25 October 2024. The emoluments disclosed above include those services rendered by him as an employee.

During the Track Record Period, there were no amounts paid or payable by the Group to the directors, chief executive or supervisors or any of the highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director or a chief executive or a supervisor waived or agreed to waive any remuneration during the Track Record Period.

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9 Individuals with highest emoluments

Of the five individuals with the highest emoluments for the years ended 31 December 2023, 2024 and 2025, one, one, and one chief executive or director whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining four, four, and four individuals during the Track Record Period are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	2,257	2,939	3,108
Discretionary bonuses	3,644	1,627	1,511
Contributions to retirement schemes	184	187	190
	<u>6,085</u>	<u>4,753</u>	<u>4,809</u>

The emoluments of the individuals who are not directors, chief executive or supervisors and who are amongst the five highest paid individuals of the Group are within the following bands:

	Year ended 31 December		
	2023	2024	2025
HKDnil – HKD1,000,000	–	1	–
HKD1,000,001 – HKD1,500,000	2	2	3
HKD1,500,001 – HKD2,000,000	1	1	1
HKD2,000,001 – HKD2,500,000	1	–	–

10 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue during the Track Record Period.

As described in Note 26(b), the Company was converted into a joint stock limited liability Company and 200,000,000 shares with par value of RMB1.00 each were issued on 27 December 2024. For the purpose of computing basic and diluted earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock Company was determined assuming the conversion into joint stock Company had occurred since 1 January 2023, at the exchange ratio established in the conversion in December 2024.

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	Year ended 31 December		
	2023	2024	2025
Profit for the year attributable to ordinary equity shareholders of the Company (RMB’000)	31,130	49,541	50,028
Weighted average number of ordinary shares (’000)	200,000	200,000	200,000
Basic earnings per share (RMB).	0.16	0.25	0.25

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding during the Track Record Period, therefore diluted earnings per share were the same as basic earnings per share.

11 Property, plant and equipment

The Group

	Machinery and equipment	Office and other equipment	Leasehold improvement	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Cost:					
At 1 January 2023	329,507	971	131	47,754	378,363
Additions	–	595	24	155,967	156,586
Transferred from construction in progress	172,675	–	–	(172,675)	–
Disposals	(9,298)	–	–	(713)	(10,011)
At 31 December 2023 and 1 January 2024	492,884	1,566	155	30,333	524,938
Additions	986	774	663	91,471	93,894
Transferred from construction in progress	54,642	–	–	(54,642)	–
Transferred to intangible assets	–	–	–	(363)	(363)
Disposals	(1,740)	–	–	(797)	(2,537)
At 31 December 2024 and 1 January 2025	546,772	2,340	818	66,002	615,932
Additions	3,374	288	–	76,626	80,288
Transferred from construction in progress	95,147	31	–	(95,178)	–
Transferred to intangible assets	–	–	–	(886)	(886)
Acquisition of a subsidiary	1,474	528	1,730	98	3,830
Reclassification to assets held for sale	(99,332)	–	–	–	(99,332)
Disposals	(6,730)	–	–	(609)	(7,339)
At 31 December 2025	540,705	3,187	2,548	46,053	592,493

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	Machinery and equipment	Office and other equipment	Leasehold improvement	Construction in progress	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Accumulated depreciation and impairment:					
At 1 January 2023	(23,566)	(750)	(20)	–	(24,336)
Charge for the year	(34,468)	(203)	(135)	–	(34,806)
Impairment loss.	(3,345)	–	–	–	(3,345)
Written back on disposals. . . .	<u>1,678</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,678</u>
At 31 December 2023 and 1 January 2024	(59,701)	(953)	(155)	–	(60,809)
Charge for the year	(45,459)	(357)	(111)	–	(45,927)
Impairment loss.	(431)	–	–	–	(431)
Written back on disposals. . . .	<u>439</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>439</u>
At 31 December 2024 and 1 January 2025	(105,152)	(1,310)	(266)	–	(106,728)
Charge for the year	(51,434)	(740)	(462)	–	(52,636)
Written back on disposals. . . .	1,941	–	–	–	1,941
Reclassification to assets held for sale.	<u>3,465</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,465</u>
At 31 December 2025	<u>(151,180)</u>	<u>(2,050)</u>	<u>(728)</u>	<u>–</u>	<u>(153,958)</u>
Net book value:					
At 31 December 2023	<u>433,183</u>	<u>613</u>	<u>–</u>	<u>30,333</u>	<u>464,129</u>
At 31 December 2024	<u>441,620</u>	<u>1,030</u>	<u>552</u>	<u>66,002</u>	<u>509,204</u>
At 31 December 2025	<u>389,525</u>	<u>1,137</u>	<u>1,820</u>	<u>46,053</u>	<u>438,535</u>

Machinery and equipment mainly represented EMC related facilities and assets. These assets are depreciated over the agreed benefit period of EMC arrangements. Upon the expiry of the benefit period, the Group would transfer these facilities and assets to the customer without consideration.

During the years ended 31 December 2023 and 2024, impairment loss amounting to RMB3,345,000 and RMB431,000 respectively were recognised related to certain EMC arrangements.

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	Machinery and equipment	Office and other equipment	Leasehold improvement	Construction in progress	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost:					
At 1 January 2023	320,003	913	–	41,273	362,189
Additions	–	573	–	47,375	47,948
Transferred from construction in progress	62,671	–	–	(62,671)	–
Disposals	<u>(9,298)</u>	<u>–</u>	<u>–</u>	<u>(139)</u>	<u>(9,437)</u>
At 31 December 2023 and 1 January 2024	373,376	1,486	–	25,838	400,700
Additions	986	763	663	91,318	93,730
Transferred from construction in progress	54,642	–	–	(54,642)	–
Transferred to intangible assets	–	–	–	(363)	(363)
Disposals	<u>(1,740)</u>	<u>–</u>	<u>–</u>	<u>(797)</u>	<u>(2,537)</u>
At 31 December 2024 and 1 January 2025	427,264	2,249	663	61,354	491,530
Additions	3,370	259	–	58,777	62,406
Transferred from construction in progress	79,985	–	–	(79,985)	–
Disposals	<u>(139,753)</u>	<u>–</u>	<u>–</u>	<u>(609)</u>	<u>(140,362)</u>
At 31 December 2025	<u>370,866</u>	<u>2,508</u>	<u>663</u>	<u>39,537</u>	<u>413,574</u>
Accumulated depreciation and impairment:					
At 1 January 2023	(23,125)	(722)	–	–	(23,847)
Charge for the year	(29,774)	(182)	–	–	(29,956)
Impairment loss	(3,345)	–	–	–	(3,345)
Written back on disposals	<u>1,678</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,678</u>
At 31 December 2023 and 1 January 2024	(54,566)	(904)	–	–	(55,470)
Charge for the year	(33,854)	(338)	(111)	–	(34,303)
Impairment loss	(431)	–	–	–	(431)
Written back on disposals	<u>439</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>439</u>
At 31 December 2024 and 1 January 2025	(88,412)	(1,242)	(111)	–	(89,765)
Charge for the year	(36,423)	(715)	(329)	–	(37,467)
Written back on disposals	<u>39,592</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>39,592</u>
At 31 December 2025	<u>(85,243)</u>	<u>(1,957)</u>	<u>(440)</u>	<u>–</u>	<u>(87,640)</u>
Net book value:					
At 31 December 2023	<u>318,810</u>	<u>582</u>	<u>–</u>	<u>25,838</u>	<u>345,230</u>
At 31 December 2024	<u>338,852</u>	<u>1,007</u>	<u>552</u>	<u>61,354</u>	<u>401,765</u>
At 31 December 2025	<u>285,623</u>	<u>551</u>	<u>223</u>	<u>39,537</u>	<u>325,934</u>

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12 Right-of-use assets

	Plant and buildings
	<i>RMB’000</i>
Cost:	
At 1 January 2023	5,568
Additions	761
Termination of leases	(433)
Modification of leases	<u>353</u>
At 31 December 2023 and 1 January 2024	6,249
Additions	1,709
Modification of leases	<u>(14)</u>
At 31 December 2024 and 1 January 2025	7,944
Additions	466
Termination of leases	(407)
Modification of leases	378
Acquisition of a subsidiary	<u>4,034</u>
At 31 December 2025	<u>12,415</u>
Accumulated depreciation:	
At 1 January 2023	(643)
Charge for the year	(310)
Termination of leases	<u>144</u>
At 31 December 2023 and 1 January 2024	(809)
Charge for the year	<u>(859)</u>
At 31 December 2024 and 1 January 2025	(1,668)
Charge for the year	(1,237)
Termination of leases	<u>283</u>
At 31 December 2025	<u>(2,622)</u>
Net book value:	
At 31 December 2023	<u>5,440</u>
At 31 December 2024	<u>6,276</u>
At 31 December 2025	<u>9,793</u>

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The analysis of expense items in relation to lease recognised in profit or loss is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation charge of right-of-use assets by class of underlying asset:			
– Properties leased for own use	<u>310</u>	<u>859</u>	<u>1,237</u>
Interest on lease liabilities	179	187	264
Expense relating to short-term leases	545	509	619

Details of total cash outflows for leases and the maturity analysis of lease liabilities are set out in Notes 20(e) and 24, respectively.

13 Intangible assets

	Software	Patented technologies	Concession rights	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Cost:				
At 1 January 2023, 31 December 2023 and 1 January 2024	179	1,575	28,139	29,893
Additions	35	330	–	365
Transferred from construction in progress . . .	<u>363</u>	<u>–</u>	<u>–</u>	<u>363</u>
At 31 December 2024 and 1 January 2025 . .	577	1,905	28,139	30,621
Additions	39	–	–	39
Acquisition of a subsidiary	–	6,800	–	6,800
Transferred from construction in progress . . .	<u>886</u>	<u>–</u>	<u>–</u>	<u>886</u>
At 31 December 2025	<u>1,502</u>	<u>8,705</u>	<u>28,139</u>	<u>38,346</u>
Amortisation and impairment:				
At 1 January 2023	(55)	–	(2,454)	(2,509)
Charge for the year	<u>(22)</u>	<u>(131)</u>	<u>(986)</u>	<u>(1,139)</u>
At 31 December 2023 and 1 January 2024 . .	(77)	(131)	(3,440)	(3,648)
Charge for the year	<u>(167)</u>	<u>(693)</u>	<u>(986)</u>	<u>(1,846)</u>

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	Software	Patented technologies	Concession rights	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At 31 December 2024 and 1 January 2025 . . .	(244)	(824)	(4,426)	(5,494)
Charge for the year	(442)	(429)	(986)	(1,857)
At 31 December 2025	(686)	(1,253)	(5,412)	(7,351)
Net book value:				
At 31 December 2023	102	1,444	24,699	26,245
At 31 December 2024	333	1,081	23,713	25,127
At 31 December 2025	816	7,452	22,727	30,995

14 Goodwill

RMB’000

Cost:

At 1 January 2023, 31 December 2023, 31 December 2024 and 1 January 2025	–
Acquisition of a subsidiary	17,178
31 December 2025	17,178

On 27 November 2025, the Company acquired Guangdong Haiborui Refrigeration Technology Co., Ltd. (廣東省海鉑瑞製冷科技有限公司) (“**Haiborui**”) from an independent third party (See Note 15).

Impairment tests

The recoverable amount of the cash-generating unit (“CGU”) Haiborui is determined based on value-in-use (“VIU”) calculation. The Group engaged independent professional valuers to assist with the calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGU itself and macro-environment. The key assumptions used in estimating the recoverable amount are as follows:

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	As at 31 December 2025
Annual revenue growth rate during the forecast period	Year 1: 997.0%, Year 2: 30.0%, Year 3: 20.0%, Year 4: 12.0%, Year 5: 9.2%
Terminal growth rate	2.0%
Pre-tax discount rate	16.3%

Impairment test – sensitivity

The Group has performed sensitivity analysis by decreasing 5% of the revenue growth rate, decreasing 0.5% of the terminal growth rate or increase 0.5% of the discount rate, which are the key assumptions for determining the recoverable amount of the CGU, with all other variables held constant. The impacts on the amount by which Haiborui’s recoverable amount above its carrying amount (headroom) are as below:

	As at 31 December 2025
	<i>RMB’000</i>
Carrying amount	44,661
Headroom	3,368
Impact by decreasing revenue growth rate.	(2,508)
Impact by decreasing terminal growth rate	(1,527)
Impact by increasing discount rate	(2,279)

At 31 December 2025, the recoverable amount of Haiborui based on the VIU calculation was higher than the carrying amount. Accordingly, no impairment loss for goodwill was recognised. Also, based on the sensitivity analysis above, the Group concluded that a reasonably possible change in key parameters would not cause the carrying amount of Haiborui to exceed its recoverable amount.

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15 Interests in subsidiaries

	As at 31 December		
	2023	2024	2025
	RMB‘000	RMB‘000	RMB‘000
Unlisted shares, at cost	67,000	102,000	131,112

The following list contains only the particulars of subsidiaries which principally and significantly affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Place of incorporation and business and date of incorporation	Particulars of registered and paid-in capital	Effective interest held by the Group			Principal activities	Name of auditors
			As at 31 December				
			2023	2024	2025		
Shangrao Chaojie Energy Technology Co., Ltd. (上饒市超節能源科技有限公司)(Notes (i) and (ii))	Chinese Mainland 13 January 2023	RMB55,000,000/ RMB55,000,000	100%	100%	100%	Comprehensive energy service provider focusing on energy management contracts	2023&2024Zhongxi CPAs (Special General Partnership) Wuxi Branch (中喜會計師事務所 (特殊普通合夥) 無錫分所)
Suining Chaojie Intelligent Energy Technology Co., Ltd. (遂寧市超節智慧能源科技有限公司) (Notes (i) and (ii)) (Note 21)	Chinese Mainland 4 July 2023	RMB45,000,000/ RMB3,000,000	100%	100%	100%	Comprehensive energy service provider focusing on energy management contracts	2023&2024Zhongxi CPAs (Special General Partnership) Wuxi Branch (中喜會計師事務所 (特殊普通合夥) 無錫分所)
Guolian Green Science (Wuxi) Trading Co., Ltd. (國聯綠科 (無錫) 商貿有限公司) (Notes (i) and (iii))	Chinese Mainland 20 October 2025	RMB15,000,000/ RMB15,000,000	N/A	N/A	100%	Sales of refrigeration and air conditioning equipments	N/A

Notes:

- (i) These entities are limited liability companies established in Chinese Mainland. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.
- (ii) The audited financial statements of the entity for the years ended 31 December 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC. The audited financial statements of the entity for the year ended 31 December 2025 are not yet available.
- (iii) The entity was incorporated in 2025 and the audited financial statements of the entity for the year ended 31 December 2025 are not yet available.

All companies now comprising the Group have adopted 31 December as their financial year end date.

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Business combination

In April 2025, the Company reached an agreement with an individual in relation to the acquisition of 51% shareholding of Haiborui with a total cash consideration of RMB19,850,000. The acquisition was completed on 27 November 2025.

The consideration paid for the acquisition and the fair value of identifiable assets, liabilities and non-controlling interests acquired at the acquisition date are summarised as follows:

Consideration:	RMB’000
Cash	19,850
Recognised amounts of identifiable assets acquired:	
Property, plant and equipment.	3,830
Right-of-use assets	4,034
Intangible assets	6,800
Trade and other receivables	12,484
Deferred tax assets	2,912
Inventories	1,634
Cash and cash equivalents	<u>795</u>
Total identifiable assets acquired	<u>32,489</u>
Recognised amounts of identifiable liabilities assumed:	
Trade and other payables	(15,153)
Contract liabilities	(6,458)
Lease liabilities	(4,042)
Deferred tax liabilities	<u>(1,597)</u>
Total identifiable liabilities assumed	<u>(27,250)</u>
Total identifiable net assets.	5,239
Non-controlling interests	(2,567)
Goodwill	<u>17,178</u>
Total net assets acquired	<u>19,850</u>

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16 Interests in an associate

The Group and the Company

The associate is accounted for using the equity method in the Historical Financial Information.

Aggregate information of the associate that is not individually material:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Immaterial associate			
– Huzhou Enjie Energy Technology Co., Ltd. (湖州市恩節能源科技有限公司)(“Huzhou Enjie”).	11,447	16,822	22,302
Aggregate amounts of the Group’s share of the associate’s results for the year			
Profit and total comprehensive income for the year.	2,859	3,653	4,895

17 Inventories and contract costs

(a) Inventories and contract costs in the consolidated statements of financial position comprise:

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contract costs	196,510	125,756	89,547
Finished goods	71,755	26,111	5,657
Write-down of inventories and contract costs.	(1,472)	(2,765)	(4,110)
	266,793	149,102	91,094

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The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contract costs	195,924	116,876	86,663
Finished goods	71,755	26,111	5,657
Write-down of inventories and contract costs.	(1,472)	(2,765)	(4,110)
	<u>266,207</u>	<u>140,222</u>	<u>88,210</u>

(b) *The analysis of the amount of inventories and contract costs recognised as an expense and included in profit or loss is as follows:*

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amount of inventories sold and used	540,048	593,742	494,019
Write-down of inventories and contract costs.	797	1,292	1,345
	<u>540,845</u>	<u>595,034</u>	<u>495,364</u>

18 Contract assets and contract liabilities

(a) Contract assets

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current assets			
Outstanding warranties	47,351	58,547	27,347
Less: loss allowance	(2,628)	(3,077)	(2,351)
	<u>44,723</u>	<u>55,470</u>	<u>24,996</u>
Non-current assets			
Outstanding warranties	24,688	25,527	12,665
Less: loss allowance	(1,234)	(1,486)	(633)
	<u>23,454</u>	<u>24,041</u>	<u>12,032</u>

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(b) Contract liabilities

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Billings in advance of performance	10,514	10,167	12,505
Receipts in advance from customers	98,451	64,435	66,347
	<u>108,965</u>	<u>74,602</u>	<u>78,852</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Billings in advance of performance	1,485	1,294	63
Receipts in advance from customers	98,157	62,348	64,997
	<u>99,642</u>	<u>63,642</u>	<u>65,060</u>

Movements in the Group’s contract liabilities

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year	43,164	108,965	74,602
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(39,874)	(83,745)	(55,540)
Increase in contract liabilities as a result of acquisition of a subsidiary	–	–	6,458
Increase in contract liabilities as a result of cash received	<u>105,675</u>	<u>49,382</u>	<u>53,332</u>
Balance at the end of the year	<u>108,965</u>	<u>74,602</u>	<u>78,852</u>

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19 Trade and other receivables

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets			
Trade receivables			
– Third parties	199,773	227,109	296,258
– Related parties	36,870	56,655	20,076
Less: loss allowance	(35,197)	(40,641)	(49,679)
Net trade receivables, measured at amortised cost	201,446	243,123	266,655
Bills receivable, measured at FVOCI	17,563	53,697	38,742
Deposits	2,444	3,419	3,405
Value-added tax recoverable	17,069	14,714	7,462
Prepayments to suppliers	27,694	14,833	52,169
Other receivables	2,442	1,564	4,520
	<u>268,658</u>	<u>331,350</u>	<u>372,953</u>
Non-current assets			
Trade receivables	6,917	5,571	5,201
Others	426	147	62
	<u>7,343</u>	<u>5,718</u>	<u>5,263</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current assets			
Trade receivables			
– Third parties	89,416	173,559	235,257
– Related parties	32,896	30,631	14,464
– Subsidiaries	136,588	7,909	187,424
Less: loss allowance	(29,061)	(36,125)	(42,477)
Net trade receivables, measured at amortised cost	229,839	175,974	394,668
Bills receivable, measured at FVOCI	16,571	37,686	17,593
Amounts due from subsidiaries	10,374	5,650	5,975
Dividends receivable due from subsidiaries	–	10,482	22,609
Deposits	2,444	3,389	3,375
Prepayments to suppliers	22,470	9,085	39,207
Other receivables	3,192	1,271	1,783
	<u>284,890</u>	<u>243,537</u>	<u>485,210</u>
Non-current assets			
Trade receivables	6,917	5,571	5,200
Others	264	34	–
	<u>7,181</u>	<u>5,605</u>	<u>5,200</u>

All of the current trade and other receivables are expected to be recovered or recognised as expense within one year.

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Ageing analysis

As at the end of each reporting period, the ageing analysis of the Group’s trade and bill receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	209,848	278,598	234,242
1 to 2 years	17,781	24,899	79,311
2 to 3 years	4,316	10,612	13,070
Over 3 years	22,261	23,352	28,453
Less: loss allowance	(35,197)	(40,641)	(49,679)
	<u>219,009</u>	<u>296,820</u>	<u>305,397</u>

Details of the Group’s credit policy and credit risk arising from trade receivables are set out in Note 27(a).

20 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cash at bank	68,867	58,383	113,806
Deposits with other financial institutions	25,983	33,253	36,513
Less: restricted bank deposits	(20,464)	(24,932)	(12,884)
Cash and cash equivalents in the consolidated statements of financial position	<u>74,386</u>	<u>66,704</u>	<u>137,435</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cash at bank	57,711	42,777	83,287
Deposits with other financial institutions	15,871	25,570	28,340
Less: restricted bank deposits	(20,464)	(24,878)	(11,292)
Cash and cash equivalents in the consolidated statements of cash flows	<u>53,118</u>	<u>43,469</u>	<u>100,335</u>

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As at 31 December 2023, 2024 and 2025, restricted deposits were mainly pledged to secure issuance of letters of guarantee related to our business operations.

(b) Time deposits comprise:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bank deposits with original maturity over three months . .	7,712	4,948	–
Accrued interest.	2	42	–
	<u>7,714</u>	<u>4,990</u>	<u>–</u>

(c) Reconciliation of profit before taxation to cash generated from operations:

	Note	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Profit before taxation		33,836	61,144	58,113
Adjustments for:				
Depreciation and amortisation				
– Property, plant and equipment	6(c)	34,806	45,927	52,636
– Right-of-use assets	6(c)	310	859	1,237
– Intangible assets	6(c)	1,139	1,846	1,857
Impairment loss on property, plant and equipment	6(c)	3,345	431	–
Finance costs	6(a)	12,612	20,113	20,738
Interest income from bank deposits	5	(1,807)	(1,488)	(944)
Shares of profits of an associate		6,916	(2,575)	(5,480)
Net gain on disposal of property, plant and equipment	5	(1,352)	(303)	(1,232)
Net gain on termination of leases	5	(3)	–	(6)
Changes in working capital				
(Increase)/decrease in inventories and contract costs		(180,325)	117,691	64,942
Increase in trade and other receivables		(127,471)	(61,616)	(76,449)
Increase in contract assets		(68,397)	(10,785)	(3,077)
(Increase)/decrease in restricted bank deposits		(9,513)	(4,468)	12,048
Increase/(decrease) in trade and other payables		295,400	(197,296)	29,817
Increase/(decrease) in contract liabilities		<u>65,801</u>	<u>(34,363)</u>	<u>(2,208)</u>
Cash generated from/(used in) operations		<u>65,297</u>	<u>(64,883)</u>	<u>151,992</u>

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(d) Reconciliation of liabilities arising from financing activities:

	Bank loans	Related party loans	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 23)</i>	<i>(Note 23)</i>	<i>(Note 24)</i>	
At 1 January 2023	<u>79,546</u>	<u>151,949</u>	<u>5,238</u>	<u>236,733</u>
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	181,556	68,868	–	250,424
Repayments of bank loans and other borrowings	(80,046)	(26,250)	–	(106,296)
Interest paid for bank loans and other borrowings	(5,460)	(8,455)	–	(13,915)
Capital element of lease rentals paid . . .	–	–	(555)	(555)
Interest element of lease rentals paid . . .	<u>–</u>	<u>–</u>	<u>(179)</u>	<u>(179)</u>
Total changes from financing cash flows	<u>96,050</u>	<u>34,163</u>	<u>(734)</u>	<u>129,479</u>
Other changes:				
Interest expenses	4,694	7,202	179	12,075
Capitalised borrowing costs	–	705	–	705
Termination of leases	–	–	(292)	(292)
Increase in lease liabilities from entering into new leases during the year	<u>–</u>	<u>–</u>	<u>1,114</u>	<u>1,114</u>
Total other changes	<u>4,694</u>	<u>7,907</u>	<u>1,001</u>	<u>13,602</u>
At 31 December 2023	<u>180,290</u>	<u>194,019</u>	<u>5,505</u>	<u>379,814</u>

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	Bank loans	Related party loans	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 23)</i>	<i>(Note 23)</i>	<i>(Note 24)</i>	
At 1 January 2024	<u>180,290</u>	<u>194,019</u>	<u>5,505</u>	<u>379,814</u>
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	315,299	104,179	–	419,478
Repayments of bank loans and other borrowings	(161,859)	(61,230)	–	(223,089)
Interest paid for bank loans and other borrowings	(13,347)	(8,330)	–	(21,677)
Capital element of lease rentals paid . . .	–	–	(862)	(862)
Interest element of lease rentals paid . .	<u>–</u>	<u>–</u>	<u>(187)</u>	<u>(187)</u>
Total changes from financing cash flows	<u>140,093</u>	<u>34,619</u>	<u>(1,049)</u>	<u>173,663</u>
Other changes:				
Interest expenses	9,798	9,043	187	19,028
Capitalised borrowing costs	94	587	–	681
Increase in lease liabilities from entering into new leases during the year	<u>–</u>	<u>–</u>	<u>1,695</u>	<u>1,695</u>
Total other changes	<u>9,892</u>	<u>9,630</u>	<u>1,882</u>	<u>21,404</u>
At 31 December 2024	<u>330,275</u>	<u>238,268</u>	<u>6,338</u>	<u>574,881</u>

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	<u>Bank loans</u>	<u>Related party loans</u>	<u>Lease liabilities</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(Note 23)</i>	<i>(Note 23)</i>	<i>(Note 24)</i>	
At 1 January 2025	330,275	238,268	6,338	574,881
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	414,759	47,280	–	462,039
Repayments of bank loans and other borrowings	(272,194)	(142,920)	–	(415,114)
Interest paid for bank loans and other borrowings	(7,312)	(8,163)	–	(15,475)
Capital element of lease rentals paid . . .	–	–	(762)	(762)
Interest element of lease rentals paid . . .	–	–	(264)	(264)
Total changes from financing cash flows	<u>135,253</u>	<u>(103,803)</u>	<u>(1,026)</u>	<u>30,424</u>
Other changes:				
Interest expenses	13,361	6,788	264	20,413
Capitalised borrowing costs	128	723	–	851
Termination of leases	–	–	(130)	(130)
Acquisition of a subsidiary	–	–	4,042	4,042
Increase in lease liabilities from entering into new leases during the year	–	–	844	844
Total other changes	<u>13,489</u>	<u>7,511</u>	<u>5,020</u>	<u>26,020</u>
At 31 December 2025	<u>479,017</u>	<u>141,976</u>	<u>10,332</u>	<u>631,325</u>

(e) Total cash outflow for leases

	<u>Year ended 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within operating cash flows	545	509	619
Within financing cash flows	<u>734</u>	<u>1,049</u>	<u>1,026</u>
	<u>1,279</u>	<u>1,558</u>	<u>1,645</u>

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21 Disposal group held for sale

	As at 31 December 2025
	<i>RMB’000</i>
Property, plant and equipment	95,867
Trade and other receivables	86,316
Deferred tax assets	427
Cash and cash equivalents	<u>11,844</u>
Assets held for sale	<u><u>194,454</u></u>
Trade and other payables	<u>49,109</u>
Liabilities associated with assets held for sale	<u><u>49,109</u></u>

In December 2025, the Group entered into a share transfer agreement, pursuant to which, the Group agreed to transfer the 100% equity interest in the subsidiary Suining Chaojie Intelligent Energy Technology Co., Ltd. (遂寧市超節智慧能源科技有限公司)(“**Suining Chaojie**”), along with the debt owed by Suining Chaojie to the Company, to an independent third party Wuhan East Lake High Technology Group Co., Ltd. (武漢東湖高新集團股份有限公司). Accordingly, Suining Chaojie was presented as a disposal group held for sale. Such transfer was completed in January 2026. As at 31 December 2025, the disposal group was measured at the lower of its carrying amount and fair value less costs to sell.

22 Trade and other payables

The Group

	As at 31 December		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	348,946	219,384	251,968
Bills payable	132,444	74,261	5,319
Accrued payrolls	12,089	8,846	10,064
Other tax payables	8,317	1,840	23,837
Other payables and accruals	<u>14,598</u>	<u>14,767</u>	<u>25,915</u>
	<u><u>516,394</u></u>	<u><u>319,098</u></u>	<u><u>317,103</u></u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables	293,814	195,271	227,063
Amounts due to subsidiaries	1,382	1,513	2,249
Bills payable	131,277	63,250	5,319
Accrued payrolls	11,368	8,420	8,756
Other tax payables	7,555	1,671	20,442
Other payables and accruals	1,990	2,198	4,360
	<u>447,386</u>	<u>272,323</u>	<u>268,189</u>

All trade and other payables are expected to be settled within one year or are repayable on demand.

As at the end of each reporting period, the ageing analysis of the Group’s trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	480,917	293,645	257,287
1 to 2 years	473	–	–
	<u>481,390</u>	<u>293,645</u>	<u>257,287</u>

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23 Bank loans and other borrowings

(a) *The analysis of the carrying amount of bank loans and other borrowings is as follows:*

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Short-term bank loans	136,650	209,348	261,938
Current portion of long-term bank loans	7,851	20,404	28,805
Short-term related party loans	32,599	24,020	18,516
Current portion of long-term related party loans	25,376	39,578	30,350
	<u>202,476</u>	<u>293,350</u>	<u>339,609</u>
Non-current			
Non-current portion of long-term bank loans	35,789	100,523	188,274
Non-current portion of long-term related party loans	136,044	174,670	93,110
	<u>171,833</u>	<u>275,193</u>	<u>281,384</u>
	<u>374,309</u>	<u>568,543</u>	<u>620,993</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Short-term bank loans	133,997	197,336	250,190
Current portion of long-term bank loans	250	11,459	28,739
Short-term related party loans	30,036	21,017	16,013
Current portion of long-term related party loans	16,096	28,619	30,350
	<u>180,379</u>	<u>258,431</u>	<u>325,292</u>
Non-current			
Non-current portion of long-term bank loans	25,273	67,083	109,954
Non-current portion of long-term related party loans	123,590	134,740	93,110
	<u>148,863</u>	<u>201,823</u>	<u>203,064</u>
	<u>329,242</u>	<u>460,254</u>	<u>528,356</u>

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- (b) The analysis of the repayment schedule of the Group’s bank loans and other borrowings is as follows:**

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	202,476	293,350	339,609
After 1 year but within 2 years	39,520	79,033	106,080
After 2 years but within 5 years	128,313	193,140	163,274
After 5 years	4,000	3,020	12,030
	<u>374,309</u>	<u>568,543</u>	<u>620,993</u>

- (c) The bank loans and other borrowings of the Group were secured as follows:**

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bank loans			
– Secured	85,585	58,646	132,106
– Unsecured	94,705	271,629	346,911
	<u>180,290</u>	<u>330,275</u>	<u>479,017</u>
Related party loans			
– Secured	191,456	235,265	139,474
– Unsecured	2,563	3,003	2,502
	<u>194,019</u>	<u>238,268</u>	<u>141,976</u>
	<u>374,309</u>	<u>568,543</u>	<u>620,993</u>

Notes:

- (i) As at 31 December 2023, 2024 and 2025, bank loans were secured by the Group’s trade receivables amounting to RMB85,477,000, RMB58,600,000 and RMB131,994,000, respectively.
- (ii) As at 31 December 2023, 2024 and 2025, related party loans were secured by the Group’s trade receivables amounting to RMB191,200,000, RMB235,040,000 and RMB139,330,000, respectively.

Besides, as at 31 December 2023, 2024 and 2025, the Company’s certain subsidiary issued guarantees in respect of related party loans of RMB11,000,000, RMB9,000,000 and nil respectively.

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24 Lease liabilities

As at the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	694	830	4,909
After 1 year but within 2 years	719	428	426
After 2 years but within 5 years	547	747	933
After 5 years	3,545	4,333	4,064
	<u>4,811</u>	<u>5,508</u>	<u>5,423</u>
	<u>5,505</u>	<u>6,338</u>	<u>10,332</u>

25 Income tax in the consolidated statements of financial position

(a) *Current taxation in the consolidated statements of financial position represents:*

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	11	10,683	8,028
Provision of income tax for the year	19,046	14,957	18,385
Income tax paid during the year	(9,879)	(22,062)	(17,596)
Income tax received during the year	<u>1,505</u>	<u>4,450</u>	<u>115</u>
At the end of the year	<u>10,683</u>	<u>8,028</u>	<u>8,932</u>

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(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Impairment loss	Unrealised profits	Deductible tax losses	Expected credit loss allowance	Depreciation and amortisation of long-term assets	Fair value adjustment arising from business combination	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax arising from:								
At 1 January 2023	318	1,327	118	7,429	(4,066)	–	4,726	9,852
Credited/(charged) to profit or loss	480	15,955	418	(1,009)	1,406	–	(62)	17,188
At 31 December 2023 and 1 January 2024	798	17,282	536	6,420	(2,660)	–	4,664	27,040
Credited/(charged) to profit or loss	258	(1,456)	353	850	(2,108)	–	4,573	2,470
At 31 December 2024 and 1 January 2025	1,056	15,826	889	7,270	(4,768)	–	9,237	29,510
Acquisition of a subsidiary	123	–	2,628	79	–	(1,597)	82	1,315
Reclassification to assets held for sale	(427)	–	–	–	–	–	–	(427)
Credited/(charged) to profit or loss	79	10,662	(846)	1,319	708	15	(1,205)	10,732
At 31 December 2025	831	26,488	2,671	8,668	(4,060)	(1,582)	8,114	41,130

(ii) Reconciliation to the consolidated statements of financial position

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax asset in the consolidated statements of financial position	27,040	29,510	42,712
Net deferred tax liability in the consolidated statements of financial position	–	–	(1,582)
	<u>27,040</u>	<u>29,510</u>	<u>41,130</u>

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26 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company’s individual components of equity between the beginning and the end of each reporting period are set out below:

	Paid-in Capital	Share capital	Share premium	PRC statutory reserve	(Accumulated losses)/ retained earnings	Total equity
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance at 1 January 2023	200,000	–	–	18	(5,992)	194,026
Total comprehensive income	–	–	–	–	64,571	64,571
Appropriation to statutory reserve	–	–	–	6,801	(6,801)	–
Balance at 31 December 2023	200,000	–	–	6,819	51,778	258,597
Total comprehensive income	–	–	–	–	23,978	23,978
Conversion into a joint stock limited liability company	(200,000)	200,000	57,650	(6,565)	(51,085)	–
Dividend declared in respect of the previous year . .	–	–	–	–	(8,000)	(8,000)
Appropriation to statutory reserve	–	–	–	1,444	(1,444)	–
Balance at 31 December 2024	–	200,000	57,650	1,698	15,227	274,575
Total comprehensive income	–	–	–	–	80,218	80,218
Appropriation to statutory reserve	–	–	–	8,134	(8,134)	–
Balance at 31 December 2025	–	200,000	57,650	9,832	87,311	354,793

(b) Paid-in capital and share capital

	No. of ordinary shares	Paid-in capital	Share capital
	’000	RMB’000	RMB’000
Ordinary shares, issued and fully paid:			
At 1 January 2023, 31 December 2023 and 1 January 2024	200,000	200,000	–
Issue of ordinary shares upon conversion into a joint stock limited liability company	–	(200,000)	200,000
At 31 December 2024, 1 January 2025 and 31 December 2025	200,000	–	200,000

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Pursuant to the shareholders’ resolutions and agreements dated 25 October 2024, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as of the conversion base date, which is 29 February 2024, including paid-in capital, statutory reserve and retained earnings, were converted into 200,000,000 shares with par value of RMB1 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s share premium. Upon the completion of registration with the Company on 27 December 2024, the Company was converted into a joint stock limited liability company under the PRC Company Law.

(c) Dividends

During the years ended 31 December 2023, 2024 and 2025, the Company declared dividends of nil, RMB8,000,000 (RMB0.04 per ordinary share) and nil respectively to its shareholders.

(d) Nature and purpose of reserves

(i) Share premium

The share premium represents the excess of the contributed capital over the par value of the shares issued, mainly arising from the conversion of the Company from a limited liability company into a joint stock limited company in December 2024.

(ii) Statutory reserve

According to the PRC Company Law, the Company’s PRC entities are required to transfer 10% of their profit after taxation, as determined under the PRC accounting regulations, to statutory reserve until the reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to reserve, the profit after taxation shall be the amount determined based on the statutory financial statements prepared in accordance with PRC GAAP. The transfer to this reserve shall be made before distribution of dividend to shareholders.

Statutory reserve fund can be used to cover previous years’ losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital. The statutory reserves in the consolidated statements of changes in equity represent the Company’s statutory reserves.

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(e) *Capital risk management*

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes bank loans and other borrowings and lease liabilities) less cash and cash equivalents and time deposits. Adjusted capital comprises all components of equity.

The Group’s adjusted net debt-to-capital ratio at 31 December 2023, 2024 and 2025 were as follows:

		As at 31 December		
		2023	2024	2025
	Note	RMB’000	RMB’000	RMB’000
Current liabilities:				
Bank loans and other borrowings	23	202,476	293,350	339,609
Lease liabilities	24	694	830	4,909
		<u>203,170</u>	<u>294,180</u>	<u>344,518</u>
Non-current liabilities:				
Bank loans and other borrowings	23	171,833	275,193	281,384
Lease liabilities	24	4,811	5,508	5,423
Total debt		<u>379,814</u>	<u>574,881</u>	<u>631,325</u>
Less: Cash and cash equivalents	20(a)	(74,386)	(66,704)	(137,435)
Time deposits	20(b)	(7,714)	(4,990)	–
Adjusted net debt		<u>297,714</u>	<u>503,187</u>	<u>493,890</u>
Total capital		<u>231,980</u>	<u>272,637</u>	<u>325,723</u>
Adjusted capital		<u>231,980</u>	<u>272,637</u>	<u>325,723</u>
Adjusted net debt-to-capital ratio		<u>1.28</u>	<u>1.85</u>	<u>1.52</u>

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27 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity and interest rate and currency risks arises in the normal course of the Group’s business. The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables and contract assets. The Group’s exposure to credit risk arising from cash and cash equivalents, restricted bank deposits, time deposits and bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, which the Group considers to represent low credit risk.

The Group also expects that there is no significant credit risk associated with other receivables since the counterparties to these financial assets have no material default history.

Except for the financial guarantee given by the Group as set out in Note 29(c), the Group does not provide any guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of this financial guarantee at the end of each reporting period is disclosed in Note 29(c).

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2023, 2024 and 2025, 17.3%, 25.6% and 20.3% respectively of the total trade receivables and contract assets were due from the Group’s largest customer, and 63.9%, 54.1% and 38.8% respectively of the total trade receivables and contract assets were due from the Group’s five largest customers.

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The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is assessed for impairment both on an individual basis and on a collective group basis based on different credit risk characteristics. Trade receivables and contract assets are categorised as follows for assessment purpose:

- Group 1 – individual: trade receivables from the counterparties with special consideration
- Group 2 – collective: other trade receivables and contract assets

As at 31 December 2023, 2024 and 2025, the gross carrying amount of trade receivables and contract assets in these categories are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Group 1	23,483	35,896	38,529
Group 2	285,199	331,942	317,817
	<u>308,682</u>	<u>367,838</u>	<u>356,346</u>

The loss allowance of Group 1 as at 31 December 2023, 2024 and 2025 was as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	23,483	35,896	38,529
Less: loss allowance	<u>(23,483)</u>	<u>(26,857)</u>	<u>(29,490)</u>
	<u>–</u>	<u>9,039</u>	<u>9,039</u>

The directors of the Company estimate that the credit risk of trade receivables from certain customers are high. The measurement of ECL on those trade receivables with high credit risk is assessed on an individual basis. The loss allowance of receivables from the counterparties in Group 1 are based on the expected recoverable amount.

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The loss allowance of Group 2 as at 31 December 2023, 2024 and 2025 was determined as follows:

	As at 31 December 2023		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Within 1 year	3.68%	260,565	9,589
1 to 2 years	19.59%	18,209	3,567
2 to 3 years	37.67%	<u>6,425</u>	<u>2,420</u>
		<u>285,199</u>	<u>15,576</u>

	As at 31 December 2024		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Within 1 year	2.85%	291,090	8,296
1 to 2 years	17.39%	29,871	5,195
2 to 3 years	34.77%	9,390	3,265
Over 3 years	100.00%	<u>1,591</u>	<u>1,591</u>
		<u>331,942</u>	<u>18,347</u>

	As at 31 December 2025		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Within 1 year	2.63%	212,393	5,588
1 to 2 years	13.17%	90,422	11,909
2 to 3 years	28.05%	12,962	3,636
Over 3 years	100.00%	<u>2,040</u>	<u>2,040</u>
		<u>317,817</u>	<u>23,173</u>

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Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets for the years ended 31 December 2023, 2024 and 2025 is as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Balance at the beginning of the year	30,032	39,449	46,196
Impairment losses recognised	9,417	6,643	9,683
Others	–	104	53
Balance at the end of the year	<u>39,449</u>	<u>46,196</u>	<u>55,932</u>

(b) Liquidity risk

The Group’s policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group and can be required to pay.

	As at 31 December 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans and other borrowings	212,631	46,335	137,613	4,214	400,793	374,309
Trade and other payables	516,394	–	–	–	516,394	516,394
Lease liabilities	905	841	1,076	5,246	8,068	5,505
	729,930	47,176	138,689	9,460	925,255	896,208

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As at 31 December 2024						
Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans and other borrowings	307,546	88,168	202,225	3,087	601,026	568,543
Trade and other payables	319,098	–	–	–	319,098	319,098
Lease liabilities	1,012	664	1,375	6,000	9,051	6,338
	<u>627,656</u>	<u>88,832</u>	<u>203,600</u>	<u>9,087</u>	<u>929,175</u>	<u>893,979</u>
As at 31 December 2025						
Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans and other borrowings	352,830	112,973	171,694	13,186	650,683	620,993
Trade and other payables	317,103	–	–	–	317,103	317,103
Lease liabilities	4,917	642	1,503	5,552	12,614	10,332
	<u>674,850</u>	<u>113,615</u>	<u>173,197</u>	<u>18,738</u>	<u>980,400</u>	<u>948,428</u>

(c) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The fair value interest rate risk and cash flow interest rate risk that the Group exposed to are not significant.

(i) The Group’s interest rate profile as monitored by management is set out below.

As at 31 December						
2023		2024		2025		
Interest rate %	RMB'000	Interest rate %	RMB'000	Interest rate %	RMB'000	
Fixed rate:						
Lease liabilities	3.45%-4.20%	5,505	3.45%-4.20%	6,338	3.45%-4.20%	10,332
Bank loans	3.45%-4.00%	154,767	3.00%-3.90%	208,003	2.50%-3.30%	233,457
Related party loans	3.90%-4.65%	<u>194,019</u>	3.60%-3.90%	<u>238,268</u>	2.95%-3.90%	<u>122,998</u>
		<u>354,291</u>		<u>452,609</u>		<u>366,787</u>
Variable rate:						
Bank loans	3.80%	25,523	3.05%-3.80%	122,272	2.50%-3.45%	245,560
Related party loans	–	–	–	–	3.45%	18,978
		<u>25,523</u>		<u>122,272</u>		<u>264,538</u>

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(ii) Sensitivity analysis

At 31 December 2023, 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group’s profit after tax by approximately RMB217,000, RMB1,039,000 and RMB2,170,000 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group’s profit after tax (and retained earnings) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group’s profit after tax (and retained earnings) and other components of consolidated equity is estimated as an annualised impact on interest expenses or income of such changes in interest rates.

(d) Currency risk

The Group mainly operates in Chinese Mainland, and most of the Group’s monetary assets and liabilities are denominated in RMB. The management considers the Group’s exposure to currency risk is not significant.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

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- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The fair values of the bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group’s financial instruments carried at amortised cost were not materially different from their fair value as at 31 December 2023, 2024 and 2025.

28 Capital commitments

Capital commitments of the Group outstanding as at 31 December 2023, 2024 and 2025 not provided for in the consolidated financial statements were as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contracted for acquisition of property, plant and equipment . . .	16,053	4,098	1,682

29 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	2,838	3,656	4,107
Discretionary bonuses	2,767	2,020	1,459
Contributions to retirement benefit schemes.	175	204	174
	5,780	5,880	5,740

Total remuneration is included in “staff costs” (see Note 6(b)).

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(b) Names and relationship of the related parties that had material transactions with the Group during the Track Record Period

Name of related parties	Relationship
Purui Optoelectronics (Xiamen) Co., Ltd. (普瑞光電(廈門)股份有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Guolian Property Management Co., Ltd. (無錫國聯物業管理有限責任公司)	Fellow subsidiary of the Company’s shareholder
York (Wuxi) Air Conditioning and Refrigeration Equipment Co., Ltd. (約克(無錫)空調冷凍設備有限公司).	Fellow subsidiary of the Company’s shareholder
Wuxi Youlian Thermal Power Co., Ltd. (無錫友聯熱電股份有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Huaguang Environment&Energy Group Co., Ltd. (無錫華光環保能源集團股份有限公司)	Immediate controlling company
Sunan Shuofang International Airport Co., Ltd. (蘇南碩放國際機場有限公司)	Fellow subsidiary of the Company’s shareholder
Guolian Life Insurance Co., Ltd. (國聯人壽保險股份有限公司)	Fellow subsidiary of the Company’s shareholder
Jiangsu Xinsuyang Construction Co., Ltd. (江蘇新蘇陽建設有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Xincheng Yashang Hotel Management Co., Ltd. (無錫市新城雅尚酒店管理有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Xinfa Integrated Circuit Industrial Park Co., Ltd. (無錫市新發集成電路產業園有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Xinfa Group Co.,Ltd. (無錫市新發集團有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Yungang Venture Capital Co., Ltd. (無錫市雲港創業投資有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Micro Nano Industry Development Co., Ltd. (無錫微納產業發展有限公司)	Fellow subsidiary of the Company’s shareholder
Beijing Johnson Controls Co., Ltd. (北京江森自控有限公司) . .	Fellow subsidiary of the Company’s shareholder
York (China) Commercial Co., Ltd. (約克(中國)商貿有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Huaguang Industrial Boiler Co., Ltd. (無錫華光工業鍋爐有限公司)	Fellow subsidiary of the Company’s shareholder
Wuxi Yungang Venture Capital Co., Ltd. (無錫市雲港創業投資有限公司)	Fellow subsidiary of the Company’s shareholder
Guolian Finance Co., Ltd. (國聯財務有限責任公司)	Fellow subsidiary of the Company’s shareholder
Huzhou Enjie Energy Technology Co., Ltd. (湖州市恩節能源科技有限公司)	Associate

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(c) *Loan made by an associate under a guarantee given by the Group*

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Huzhou Enjie	81,460	81,460	81,460

(d) *Transactions with related parties*

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Sales of goods and provision of services	133,029	44,380	32,306
Procurement of goods and services	258,358	44,617	113,994
Interest expenses	7,907	9,630	7,511

(e) *Balance with related parties*

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade related			
Trade receivables	36,870	56,655	20,076
Trade payables	89,137	6,385	40,184
Non-trade related			
Deposits with other financial institutions	25,983	33,253	36,513
Related party loans	194,019	238,268	141,976

As at 31 December 2023, 2024 and 2025, related party loans represented the Group’s borrowings due to Guolian Finance Co., Ltd. (國聯財務有限責任公司).

30 Subsequent events

As mentioned in Note 21, the transfer of shareholding in Suining Chaojie was completed in January 2026. Accordingly, Suining Chaojie ceased to be a subsidiary of the Group since then.

31 Immediate and ultimate controlling company

As at the date of this report, the directors consider that the Group’s immediate controlling company and ultimate controlling company to be Wuxi Huaguang Environment & Energy Group Co., Ltd. (無錫華光環保能源集團股份有限公司) and Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司), respectively, which are both state-owned enterprises established in the PRC.

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ACCOUNTANTS’ REPORT

32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the Track Record Period

Up to the date of this report, the IASB has issued a number of amendments, new standards and interpretations, which are not yet effective for the Track Record Period, and which have not been adopted in preparing the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IFRS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of [REDACTED]. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

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Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and financial position of the Group.

Subsequent financial statements

No audited financial statements have been prepared by the Company and its subsidiaries that comprise the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares shall be subject to PRC laws and practices, as well as the laws and practices of the jurisdiction in which the holders of the H shares resides or any other jurisdiction in respect of which the holder of the H shares is subject to tax. The following summary of certain tax provisions is based on current laws and practices, does not take into account any anticipated changes or amendments to relevant laws or policies, and does not constitute any opinion or recommendation. This discussion does not address all possible tax consequences associated with investing in H shares, nor does it take into account the specific circumstances of any particular [REDACTED], some of whom may be subject to special regulations. Accordingly, you should consult your professional tax advisor regarding the tax consequences of investing in H shares. This discussion is based on the laws and relevant interpretations in effect as of the Latest Practicable Date, which are subject to change or adjustment and may have retroactive effect.

Save for income tax, capital gains tax and profits tax, business tax, value-added tax, stamp duty and estate duty, this discussion does not address any other aspects of PRC taxation. Accordingly, you should consult your own financial advisor regarding the PRC and other tax consequences of holding and disposing of H shares.

PRC TAXATION

Dividend Tax

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (the “**Individual Income Tax Law**”) amended by the Standing Committee of the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC, as amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by a PRC company to individual investors shall generally be subject to individual income tax at a flat rate of 20%, which shall be withheld and paid by the payer. Meanwhile, pursuant to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies, issued by the MOF, the STA and the CSRC on September 7, 2015 and effective on September 8, 2015, for individual investors who obtain shares of a listed company from the public offering and transfer market, if the shareholding period exceeds 1 year, the individual income tax on the dividends and bonuses derived therefrom shall be temporarily exempted. If the shareholding period is within 1 month (inclusive), the full amount of dividends and bonuses derived therefrom shall be included in the taxable income; if the shareholding period is more than 1 month but within 1 year (inclusive), 50% of the dividends and bonuses derived therefrom shall be temporarily included in the taxable income. The above-mentioned income shall be subject to individual income tax at a unified rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the “**Double Taxation Avoidance Arrangement**”) effective on December

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TAXATION AND FOREIGN EXCHANGE

8, 2006, the PRC government may tax dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities), provided that such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in the PRC company, and such Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. Pursuant to the Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the “**Fifth Protocol**”), which became effective on December 6, 2019, the above provisions shall not apply to arrangements or transactions where one of the principal purposes is to obtain such tax benefits.

Corporate Investors

Pursuant to the Enterprise Income Tax Law of the PRC (the “**Enterprise Income Tax Law**”) amended by the SCNPC and effective on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (the “**Implementation Rules of the Enterprise Income Tax Law**”), as amended by the State Council on December 6, 2024 and effective on January 20, 2025, if a non-resident enterprise has no establishment or place of business in the PRC, or has an establishment or place of business but the income derived is not effectively connected with such establishment or place of business, it shall pay enterprise income tax at a rate of 10% on its income derived from sources within the PRC (including dividends paid by a PRC resident enterprise whose shares are issued and listed in Hong Kong).

Tax payable on income derived by the aforesaid non-resident enterprises shall be withheld at source, with the payer as the withholding agent. The withholding agent shall withhold income tax from the amount paid or due each time payment is made or due. Such taxes may be reduced or exempted under applicable double taxation avoidance agreements.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-Resident Enterprises issued and effective by the STA on November 6, 2008, PRC resident enterprises shall uniformly withhold enterprise income tax at the rate of 10% when distributing dividends for 2008 and subsequent years to non-resident enterprise holders of overseas H shares. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares promulgated and effective by the STA on July 24, 2009 further stipulates that PRC resident enterprises that issue and list shares (including A Shares, B Shares and overseas shares) on stock exchanges inside and outside the PRC must uniformly withhold enterprise income tax at the rate of 10% when distributing dividends for 2008 and subsequent years to non-resident enterprise shareholders. Where applicable, the above tax rate may be further adjusted in accordance with tax treaties or agreements signed between the PRC and the relevant jurisdictions.

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Pursuant to the Double Taxation Avoidance Arrangement, the PRC government may tax dividends paid by PRC companies to Hong Kong residents (including natural persons and legal entities), provided that such tax shall not exceed 10% of the total amount of dividends payable by PRC companies. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. Pursuant to the Fifth Protocol, the above provisions shall not apply to arrangements or transactions the main purpose of which is to obtain such tax benefits.

Subject to applicable regulations, we intend to withhold tax at the rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares (including [REDACTED]). Non-PRC resident enterprises entitled to reduced tax rates under applicable income tax treaties shall be required to apply to the PRC tax authorities for a refund of any withheld amount in excess of the applicable treaty rate, and such refund is subject to verification by the PRC tax authorities.

Taxes on Gains from Equity Transfer

Individual Investors

Pursuant to the Individual Income Tax Law and its Implementation Rules, gains derived by individuals from the transfer of equity interests in PRC resident enterprises shall be subject to individual income tax at the rate of 20%. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals promulgated by the MOF and the STA and effective on March 30, 1998, incomes derived by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997. Although the Individual Income Tax Law and its Implementation Rules do not specify whether individual income tax on income derived from individual transfer of listed company shares shall continue, the Notice on Issues Concerning the Imposition of Individual Income Tax on Income from Transfer of Restricted Shares of Listed Companies jointly promulgated by the MOF, the STA and the CSRC on December 31, 2009 and effective on the same day, the Notice on Issues Concerning the Collection and Payment of Individual Income Tax on Income from Transfer of Restricted Shares issued by the STA on January 18, 2010 and effective on the same day, and the Supplementary Notice on Issues Concerning the Imposition of Individual Income Tax on Income from Transfer of Restricted Shares of Listed Companies promulgated by the MOF, the STA and the CSRC on November 10, 2010 and effective on the same day all stipulate that individual income tax on income derived by individuals from the transfer of shares listed on certain domestic stock exchanges (including the Shanghai Stock Exchange and the Shenzhen Stock Exchange) shall continue to be exempted, except for restricted shares. As of the Latest Practicable Date, the above provisions do not explicitly require whether individual income tax shall be levied on gains from the sale of shares of PRC resident enterprises listed on overseas stock exchanges by non-PRC resident individuals. To our knowledge, in practice, the PRC tax authorities have not imposed income tax on gains derived by non-PRC resident individuals from the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

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Corporate Investors

Pursuant to the Enterprise Income Tax Law and its Implementation Rules, a non-resident enterprise that has no establishment or place of business in the PRC, or that has an establishment or place but the income derived has no actual connection with such establishment or place of business, shall pay enterprise income tax at the rate of 10% on its income sourced in the PRC (including gains derived from the disposal of equity interests in PRC resident enterprises). Tax payable on income derived by the aforesaid non-resident enterprises shall be withheld at source, with the payer as the withholding agent. The withholding agent shall withhold income tax from the payments made or payable when making each payment or when the payment becomes due. Such taxes may be reduced or exempted under the applicable double taxation avoidance agreement.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (the “**Stamp Duty Law**”) promulgated on June 10, 2021 and effective as of July 1, 2022, investors outside the PRC mainland shall not be subject to the requirements of the Stamp Duty Law when disposing of H shares outside the PRC.

Estate Duty

Under PRC laws, as of the Latest Practicable Date, there is currently no estate duty in the PRC.

Principal PRC Taxes Applicable to the Company

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law and its Implementation Rules, enterprises and other organizations that derive income in the PRC are taxpayers of enterprise income tax and are required to pay enterprise income tax in accordance with the provisions of this Law. The rate of enterprise income tax is 25%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises promulgated by the Ministry of Science and Technology, the MOF and the STA on April 14, 2008, amended on January 29, 2016 and effective on January 1, 2016, enterprises recognized as high and new technology enterprises may enjoy a preferential enterprise income tax rate of 15% in accordance with the relevant provisions of the Enterprise Income Tax Law.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that has no establishment or place of business in the PRC, or that has an establishment or place of business but the income derived has no actual connection with such establishment or place of business, shall pay enterprise income tax on its income sourced in the PRC. Tax payable on income derived by the aforesaid non-resident enterprises shall be withheld at source, with the payer as the withholding agent. The withholding agent shall withhold income tax from the amount paid or due each time payment is made or due. Meanwhile, any gains derived by such investors from the transfer of shares shall be subject to enterprise income tax and withheld at source if deemed to be income from the transfer of property sourced in the PRC.

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VAT

Pursuant to the Value-Added Tax Law of the PRC promulgated by the SCNPC on December 25, 2024 and effective on January 1, 2026, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, real estate or import goods in the PRC are taxpayers of value-added tax and shall pay value-added tax in accordance with the law. Unless otherwise provided in such regulations, a value-added tax rate of 13% shall apply to the sale of goods, processing, repairs and replacement services, the provision of tangible movable property leasing services and the import of goods.

Foreign Exchange Administration in the PRC

The legal tender of the PRC is the Renminbi (RMB). The State Administration of Foreign Exchange (SAFE) is authorized by the People’s Bank of China (PBOC) to administer all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control amended by the State Council and effective on August 5, 2008, all international payments and transfers are classified into current account and capital account items. The PRC does not impose restrictions on international payments and transfers under current accounts. Foreign exchange income under current accounts may be retained or sold to financial institutions engaged in foreign exchange settlement and sale businesses. Retention or sale of foreign exchange income under capital accounts to financial institutions engaged in foreign exchange settlement and sale businesses shall be subject to the approval of foreign exchange authorities, unless otherwise stipulated by the state.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, restrictions on foreign exchange conversion under current accounts have been lifted, while restrictions on foreign exchange transactions under capital accounts remain.

Pursuant to relevant PRC laws and regulations, when PRC enterprises (including foreign-invested enterprises) require foreign exchange for current account transactions, they may make direct payments from their foreign exchange accounts at designated foreign exchange banks upon production of valid documents and transaction vouchers without prior approval from SAFE. Foreign-invested enterprises that need to distribute profits to shareholders in foreign exchange, or PRC enterprises that need to pay fixed foreign exchange-denominated dividends in accordance with regulations, may make direct payments from their foreign exchange accounts or complete payment procedures at designated foreign exchange banks upon production of board resolutions on profit distribution.

Pursuant to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters promulgated and effective by the State Council on October 23, 2014, SAFE and its branches have canceled the administrative approval for the remittance and settlement of funds raised from overseas listings.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing promulgated by SAFE and effective on December 26, 2014, which was replaced by the Circular of the PBOC and the SAFE on Issues Concerning the Administration of Funds for Overseas Listings by Domestic Enterprises promulgated on December 24, 2025 and effective on April 1, 2026. The key interpretative provisions of such regulation are as follows:

- The PBOC, SAFE and their branches shall supervise, administer and inspect the business registration, account opening and use, cross-border receipts and payments, fund exchange and other activities involving overseas listings of domestic enterprises.
- Domestic enterprises conducting overseas listings shall apply for overseas listing registration with banks in the provincial-level cities or cities specifically designated in the state plan where they are registered (collectively referred to as the “**local banks**”) within 30 working days from the first trading day of overseas listing or upon completion of the over-allotment option.
- Fund exchange related to overseas listings of domestic enterprises (excluding banks) shall be conducted through capital account-settlement accounts (account code 2103, scope of receipts and payments see Appendix 2) or domestic RMB bank settlement accounts. Domestic enterprises that need to open new capital account – settlement accounts for overseas listing business shall do so upon production of overseas listing business registration certificates.
- After domestic enterprises complete overseas listings, their domestic shareholders that reduce their holdings of overseas listed shares shall apply for reduction registration with the local banks of the domestic shareholders upon production of relevant materials within 30 working days before or after the reduction.
- Domestic shareholders intending to increase their holdings of overseas shares of domestic enterprises shall apply for increase registration with the local SAFE branches upon production of the following materials within 20 working days prior to the proposed increase.

Pursuant to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment issued on February 13, 2015 and effective on June 1, 2015, SAFE has cancelled the approval of foreign exchange registration for inbound direct investment and outbound direct investment, and instead banks shall directly examine and handle foreign exchange registration for inbound direct investment and outbound direct investment (collectively referred to as “**direct investment foreign exchange registration**”) in accordance with this Notice and the Guidelines for the Operation of Direct Investment Foreign Exchange Business, while SAFE and its branches shall conduct indirect supervision over direct investment foreign exchange registration through banks.

Pursuant to the Notice of the SAFE on Reforming and Regulating Capital Account Foreign Exchange Settlement Policies issued by SAFE on June 9, 2016 and last amended and implemented on December 24, 2023, capital account foreign exchange income subject to voluntary settlement (including foreign exchange capital, foreign debt funds and funds repatriated from overseas listings, etc.) may be

APPENDIX III**TAXATION AND FOREIGN EXCHANGE**

settled at banks according to the actual operational needs of domestic institutions. The voluntary settlement ratio of capital account foreign exchange income of domestic institutions is temporarily set at 100%, and SAFE may adjust the above ratio from time to time according to the balance of payments situation.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (the “**Constitution**”) amended and effective on March 11, 2018, as its fundamental basis. It consists of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules of the State Council, local government rules, laws of the Special Administrative Regions, and international treaties to which the PRC government is a party, as well as other normative documents. Court judgments do not constitute legally binding precedents but may be used for judicial reference and guidance purposes.

The National People’s Congress (the “**NPC**”) and its Standing Committee exercise the legislative power of the state in accordance with the Constitution and the Legislation Law of the PRC (the “**Legislation Law**”). Pursuant to the Legislation Law amended on March 13, 2023 and effective on March 15, 2023, the NPC has the power to formulate and amend fundamental laws concerning state institutions, civil and criminal matters, and other matters. The SCNPC formulates and amends other laws except those that shall be formulated by the NPC; during the adjournment of the NPC, it may partially supplement and amend laws formulated by the NPC, provided that such supplements and amendments do not contradict the basic principles of those laws.

The State Council is the highest administrative organ of the state and has the power to enact administrative regulations in accordance with the Constitution and laws.

The people’s congresses and their standing committees of provinces, autonomous regions and municipalities directly under the Central Government may enact local regulations in light of the specific conditions and actual needs of their respective administrative regions, provided that they do not contravene the Constitution, laws and administrative regulations. The people’s congresses and their standing committees of cities divided into districts may enact local regulations concerning urban and rural construction and management, environmental protection, historical and cultural preservation and other matters in light of the specific conditions and actual needs of their respective cities, provided that they do not contravene the Constitution, laws, administrative regulations and the local regulations of the respective provinces and autonomous regions, unless otherwise provided by law for matters in respect of which cities divided into districts may enact local regulations. Local regulations of cities divided into districts shall be implemented upon approval by the standing committees of the people’s congresses of the respective provinces and autonomous regions. The standing committees of the people’s congresses of provinces and autonomous regions shall examine the legality of local regulations submitted for approval and shall approve them within four months if they do not contravene the Constitution, laws, administrative regulations and the local regulations of the respective provinces and autonomous regions. When examining local regulations of cities divided into districts submitted for approval, the standing committees of the people’s congresses of provinces and autonomous regions shall make a decision if they find that such local regulations conflict with the rules of the people’s governments of the respective provinces and autonomous regions. The people’s congresses of ethnic autonomous areas have the power to enact autonomous regulations and separate regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The ministries, commissions, the PBOC, the National Audit Office and directly subordinate institutions with administrative functions of the State Council may enact departmental rules within the scope of their respective powers in accordance with laws and administrative regulations, decisions and orders of the State Council. The people’s governments of provinces, autonomous regions, municipalities directly under the Central Government, cities divided into districts and autonomous prefectures may enact rules in accordance with laws, administrative regulations and local regulations of the respective provinces, autonomous regions and municipalities directly under the Central Government.

Pursuant to the provisions of the Constitution and the Legislation Law, the power to interpret laws shall be vested in the SCNPC. Pursuant to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws implemented on June 10, 1981, the Supreme People’s Court has the power to interpret issues concerning the specific application of laws and decrees in judicial work, and the Supreme People’s Procuratorate has the power to interpret issues concerning the specific application of laws and decrees in procuratorial work. Issues concerning the application of laws and decrees outside the aforesaid scope shall be interpreted by the State Council and competent departments. The State Council and its ministries and commissions also have the power to interpret the administrative regulations and departmental rules enacted by them. At the local level, the power to interpret local regulations shall be vested in the local legislative and administrative organs that enacted such regulations.

PRC JUDICIAL SYSTEM

Pursuant to the Constitution and the Law of the PRC of Organization of the People’s Courts (amended on October 26, 2018 and effective on January 1, 2019), the PRC judicial system consists of the Supreme People’s Court, local people’s courts at various levels and special people’s courts. Local people’s courts at various levels are divided into basic people’s courts, intermediate people’s courts and high people’s courts. Basic people’s courts may establish civil, criminal, economic and other judicial tribunals, as well as several people’s tribunals according to regional, population and case circumstances. Intermediate people’s courts have divisions similar to those of basic people’s courts and may establish other special divisions as needed. These two levels of people’s courts are subject to the supervision of the people’s courts at higher levels. The Supreme People’s Court is the highest judicial organ of the PRC and supervises the judicial work of local people’s courts at various levels and special people’s courts. The Supreme People’s Procuratorate has the power to supervise judgments and orders of people’s courts at various levels that have become legally effective, and people’s procuratorates at higher levels have the power to supervise judgments and orders of people’s courts at lower levels that have become legally effective.

Pursuant to the Constitution and the Law of the PRC of Organization of the People’s Procuratorates (amended on October 26, 2018 and effective on January 1, 2019), the people’s procuratorates of the PRC are the legal supervision organs of the state. The Supreme People’s Procuratorate is the highest procuratorial organ. The Supreme People’s Procuratorate directs the work of local people’s procuratorates at various levels and special people’s procuratorates, and people’s procuratorates at higher levels direct the work of people’s procuratorates at lower levels.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Pursuant to the Civil Procedure Law of the PRC (amended on September 1, 2023 and effective on January 1, 2024), the people’s courts implement a two-instance final judgment system. Parties dissatisfied with the judgments and rulings of first instance of local people’s courts at various levels shall have the right to file appeals. The people’s procuratorates shall have the right to lodge protests with the people’s courts at the next higher level in accordance with legal procedures. If no party appeals and no people’s procuratorate lodges a protest within the statutory time limit, the judgments and rulings of the people’s courts shall become final. Judgments and rulings of second instance of intermediate people’s courts, higher people’s courts and the Supreme People’s Court, as well as judgments and rulings of first instance of the Supreme People’s Court, are all final judgments and rulings. However, the Supreme People’s Court shall have the power to retry or instruct the people’s courts at lower levels to retry judgments, rulings and mediation documents of people’s courts at various levels that have become legally effective if it finds them erroneous. The presidents of people’s courts at various levels shall submit judgments, rulings and mediation documents of their respective courts that have become legally effective to the judicial committees of their respective courts for discussion and decision if they find them erroneous and consider a retrial necessary.

The Civil Procedure Law of the PRC stipulates the conditions for instituting civil actions, the jurisdiction of people’s courts, the procedures for conducting civil actions and the procedures for enforcing civil judgments or rulings. All parties must comply with the provisions of the Civil Procedure Law of the PRC in civil actions conducted within the territory of the PRC. Normally, civil cases of first instance are under the jurisdiction of the people’s court of the place where the defendant is domiciled. The court of jurisdiction for civil actions may also be chosen by the parties to a contract by express written agreement, provided that the competent people’s court is located at a place having an actual connection with the dispute (such as the plaintiff’s domicile, the defendant’s domicile, the place of contract performance, the place of contract signing, or the place where the subject matter is located) and must not violate the provisions on hierarchical jurisdiction and exclusive jurisdiction.

Foreign natural persons, stateless persons, foreign enterprises or foreign organizations shall enjoy the equal litigation rights and obligations as Chinese citizens, legal persons or other organizations when instituting or defending actions in PRC courts. If a foreign court restricts the litigation rights of Chinese citizens or enterprises, PRC courts may take corresponding restrictive measures against such foreign citizens or enterprises. When foreign natural persons, stateless persons, foreign enterprises or foreign organizations institute or defend actions in PRC courts and need to entrust lawyers to represent them in litigation, they must entrust Chinese lawyers. All parties to civil actions shall perform legally effective judgments and rulings. If any party to a civil action refuses to comply with a judgment or rulings made by a PRC people’s court or an award made by an arbitration institution, the other party may apply to the people’s court for enforcement within two years (except for cases of suspension of enforcement or application for revocation). If a party fails to perform a judgment within the time limit approved by the court for enforcement, the court may enforce the judgment against such party upon application by the other party.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

If a party applies for the enforcement of a judgment or ruling made by a Chinese people’s court, but the respondent or its property is not within the territory of China, the applicant may directly apply to a competent foreign court for recognition and enforcement of the judgment or ruling. If China and the relevant foreign country have concluded or jointly acceded to an international treaty providing for such recognition and enforcement, or if the judgment or ruling meets the requirements after review by a people’s court in accordance with the principle of reciprocity, the foreign judgment or ruling may also be recognized and enforced by a Chinese people’s court in accordance with China’s enforcement procedures—unless the people’s court deems that recognizing or enforcing the judgment or ruling would violate the basic principles of Chinese law, national sovereignty, security, or public interest.

PRC SECURITIES LAWS AND REGULATIONS

The PRC has enacted a number of laws and regulations relating to the issuance and trading of shares and information disclosure. In October 1992, the State Council established the Securities Commission of the State Council (SCSC) and the CSRC. The SCSC is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, guiding, coordinating and supervising securities-related institutions nationwide, and administering the CSRC. The CSRC is the regulatory enforcement agency of the Securities Commission, responsible for drafting securities market regulatory provisions, supervising securities companies, regulating the public issuance of securities by PRC companies inside or outside the PRC, standardizing securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. In April 1998, the State Council merged the two departments and carried out institutional reform of the CSRC.

The Securities Law of the PRC (the “**PRC Securities Law**”) (amended on December 28, 2019 and effective on March 1, 2020), consists of 14 chapters and 226 articles, regulating matters including (but not limited to) securities issuance and trading; securities listing; listed company acquisitions.

Article 224 of the PRC Securities Law stipulates that domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas shall comply with the relevant provisions of the State Council. Currently, the overseas issuance of securities (including shares) and their trading are mainly regulated by the regulations and rules promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (the “**PRC Arbitration Law**”) was amended by the SCNPC on September 12, 2025 and implemented on March 1, 2026, and applies to (including) economic disputes involving foreign parties, provided that the parties have entered into a written agreement to submit the dispute to an arbitration commission established in accordance with the PRC Arbitration Law for arbitration. After the parties conclude an arbitration agreement, the people’s court shall not accept a lawsuit filed by one party with the court, unless the arbitration agreement is invalid.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Pursuant to the PRC Arbitration Law and the Civil Procedure Law of the PRC, an arbitral award is final and legally binding on all parties to the arbitration. If any party fails to perform the arbitral award, the other party may apply to the people’s court for enforcement. If the people’s court, after examination and verification by a collegial panel, finds that the arbitral award falls under any statutory circumstances for non-enforcement (including but not limited to improper composition of the arbitral tribunal or improper arbitration procedures, lack of jurisdiction of the arbitration commission, or matters awarded beyond the scope of the arbitration agreement), it may rule not to enforce the award.

Where a party applies for enforcement of an award made by a PRC foreign-related arbitration institution and the person subject to enforcement or his property is not within the territory of the PRC, the party shall directly apply to a competent foreign court for recognition and enforcement of the award. Similarly, an award made by a foreign arbitration institution that requires recognition and enforcement by a PRC people’s court shall be handled in accordance with the principle of reciprocity or an international treaty concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”) adopted on June 10, 1958 and adopted by the SCNPC on December 2, 1986. The New York Convention stipulates that arbitral awards made in the territory of one contracting state shall be recognized and enforced in other contracting states, but a contracting state may refuse enforcement under specific circumstances (including if enforcement would violate the public policy of that state). When acceding to the Convention, the SCNPC made the following declarations: (i) PRC shall apply the Convention to the recognition and enforcement of arbitral awards made in the territory of another contracting state only on the basis of the principle of reciprocity; and (ii) PRC shall apply the Convention only to disputes arising from contractual and non-contractual commercial legal relationships as determined in accordance with the PRC law.

Hong Kong and the Supreme People’s Court have reached an arrangement for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court adopted the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, which became effective on February 1, 2000 and was amended by the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021). Pursuant to such arrangement, awards made by PRC arbitration institutions in accordance with the Arbitration Law may be applied for enforcement in Hong Kong, and Hong Kong arbitral awards may also be applied for enforcement in the Mainland.

Judicial Judgments and Their Enforcement

Pursuant to the Arrangement of the Supreme People’s Court on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Cases under Agreed Jurisdiction between the Courts of the Mainland and the Hong Kong Special Administrative Region (the “**Arrangement**”) promulgated by the Supreme People’s Court on July 3, 2008 and implemented on August 1, 2008, for final and enforceable judgments requiring payment of money, rendered by the courts of the Mainland

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

and the Hong Kong Special Administrative Region (HKSAR) in civil and commercial cases with a written jurisdiction agreement, the parties may apply to the courts of the Mainland or the HKSAR for recognition and enforcement in accordance with this Arrangement. A written jurisdiction agreement refers to an agreement where the parties, in writing, explicitly agree that the courts of the Mainland or the HKSAR have exclusive jurisdiction to resolve disputes that have arisen or may arise in connection with a specific legal relationship. Based on the above, parties may apply to the courts of the Mainland or the HKSAR for recognition and enforcement of final judgments rendered in the Mainland or Hong Kong that meet specific criteria. On January 18, 2019, the HKSAR and the Supreme People’s Court further concluded the Arrangement of the Supreme People’s Court on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Cases between the Courts of the Mainland and the Hong Kong Special Administrative Region (the “**New Arrangement**”). The New Arrangement entered into force on January 29, 2024, replacing the original Arrangement, while stipulating that “written jurisdiction agreements” concluded under the original Arrangement prior to January 29, 2024 shall continue to be governed by the original Arrangement. The New Arrangement further sets out the scope and content of judgments subject to mutual recognition and enforcement, the relevant application procedures and methods, circumstances for reviewing the jurisdiction of first-instance courts, grounds for refusing recognition and enforcement, and remedies. Under the New Arrangement, non-monetary relief provisions and judgments in certain intellectual property cases are also included in the scope of judgments eligible for mutual recognition and enforcement.

Company Law, Interim Measures for Overseas Listing and Relevant Guidelines

The Company Law of the PRC (the “**Company Law**”) was adopted at the 5th Meeting of the SCNPC on December 29, 1993, and came into force on July 1, 1994. It has since been amended on six occasions: December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023. The latest amended version of the Company Law came into effect on July 1, 2024.

The Interim Administrative Measures for the Overseas Issuance of Securities and Listing by Domestic Enterprises (the “**Interim Measures for Overseas Listing**”) was issued by the CSRC on February 17, 2023, and effective as of March 31, 2023, the Interim Measures for Overseas Listings apply to all overseas securities issuance and listing activities of domestic enterprises.

The Guidelines for the Articles of Association of Listed Companies (the “**Guidelines for Articles of Association**”) was issued by the CSRC on December 16, 1997, the Guidelines for Articles of Association were most recently amended on March 28, 2025, and took effect on the same day. It provides guidance for the Company’s articles of association. The relevant provisions of the Guidelines for Articles of Association have been incorporated into the Company’s articles of association, and a summary of these provisions can be found in the section Appendix V — Summary of the Articles of Association of the Company of this document.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

This appendix is primarily intended to provide potential investors with an overview of the company’s articles of association. As the information contained in this appendix is a summary, it may not contain all information material to potential investors.

SHARES

Issue of Shares

The Company’s shares shall be in registered form. The Company shall issue shares at par value, denominated in RMB, with a par value of RMB1.0 per share.

The issue of shares shall adhere to the principles of openness, fairness and equality. Each share of the same class shall carry the same rights. Shares of the same class issued in the same issue shall be issued on the same terms and conditions and at the same price. Each subscriber shall subscribe for its shares at the same price per share.

Increase and Reduction of Share Capital and Share Repurchase

Pursuant to the provisions of applicable laws, regulations, departmental rules, regulatory guidelines, the Hong Kong Listing Rules and the rules and regulations of the security regulatory authority of the place where the Company’s shares are listed (the “**Listing Place**”), the Company may increase its share capital by the following methods upon adoption of a resolution by the Shareholders’ Meeting:

- (i) Issuing shares to unspecific persons;
- (ii) Issuing shares to specific persons;
- (iii) Issuing bonus shares to existing shareholders;
- (iv) Converting capital reserves into share capital;
- (v) Other methods approved by laws, administrative regulations, the CSRC, the Hong Kong Listing Rules and the security regulatory authority of the Company’s share listing place.

The Company may reduce its share capital in accordance with the procedures set out in the Company Law, the Hong Kong Listing Rules, and other applicable laws, administrative regulations, departmental rules, normative documents and the Articles of Association.

The Company shall not repurchase its own shares, except in any of the following circumstances:

- (i) Reducing the Company’s registered capital;
- (ii) Merging with other companies that hold shares of the Company;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

- (iii) Using shares for employee stock ownership scheme or equity incentive plans;
- (iv) Shareholders who dissent from a resolution on the Company’s merger or division adopted by the Shareholders’ Meeting require the Company to purchase their shares;
- (v) Using shares to convert into convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and the interests of shareholders;
- (vii) Other circumstances as prescribed by laws, regulations, departmental rules, the Hong Kong Listing Rules as well as the regulatory rules of the Company’s share listing place and permitted by the relevant regulatory authorities.

The Company may repurchase its own shares through public centralized trading methods or other methods recognized by laws, administrative regulations, the Hong Kong Listing Rules and the security regulatory authority of the Company’s share listing place.

Where the Company repurchases its own shares under circumstances specified in items (iii), (v) and (vi) above, it shall do so through public centralized trading methods, provided that such repurchase complies with the requirements of the applicable security regulatory rules and guidelines of the Company’s share listing place.

Where the Company repurchases its own shares under circumstances specified in items (i) and (ii) above, a resolution of the Shareholders’ Meeting shall be adopted; where the Company repurchases its own shares under circumstances specified in items (iii), (v) and (vi) above, a resolution of the Board of Directors meeting attended by more than two-thirds of the directors may be adopted in accordance with the provisions of these Articles of Association or the authorization of the Shareholders’ Meeting, provided that such repurchase complies with the applicable security regulatory rules of the Company’s share listing place. After repurchasing the Company’s shares, the Company shall fulfill its information disclosure obligations in accordance with the relevant laws, regulations, the Hong Kong Listing Rules and the relevant provisions of the CSRC and the SEHK.

After the Company repurchases its own shares in accordance with the above provisions, and provided that such repurchase complies with the applicable security regulatory rules of the Company’s share listing place, for circumstances under item (i) above, the repurchased shares shall be cancelled within ten (10) days from the date of repurchase; for circumstances under items (ii) and (iv) above, the repurchased shares shall be transferred or cancelled within six (6) months; and for circumstances under items (iii), (v) and (vi) above, the total number of the Company’s shares held by the Company shall not exceed 10% of the Company’s total issued share capital, and such repurchased shares shall be transferred or cancelled within three (3) years.

Where laws, regulations and the security regulatory authority of the Company’s share listing place have other provisions on matters relating to share repurchase, such provisions shall prevail.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Transfer of Shares

The Company’s shares may be transferred in accordance with the law. The Company shall not accept its own shares as the subject of a pledge.

The Company’s directors and senior management shall declare to the Company their holdings of the Company’s shares and any changes therein. During their term of office as determined at the time of assumption of office, the number of shares they transfer each year shall not exceed 25% of their total holdings of the Company’s shares. The shares of the Company held by such persons shall not be transferred within one (1) year from the date the Company’s shares are listed. The aforesaid persons shall not transfer their holdings of the Company’s shares within six months after their resignation.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

General Provisions on Shareholders

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations.

When the Company convenes a shareholders’ meeting, distributes dividends, conducts liquidation or engages in other activities requiring confirmation of shareholder identity, the Board of Directors or the convener of the Shareholders’ Meeting shall determine the record date. Shareholders registered in the register after the close of trading on the record date shall be the shareholders entitled to the relevant rights and interests.

The Company’s shareholders shall be entitled to the following rights:

- (i) Receiving dividends and other forms of profit distribution in accordance with the proportion of shares they hold;
- (ii) Requesting to convene, call, chair, attend or appoint a shareholder proxy to attend the shareholders’ meeting in accordance with the law, and exercising the corresponding right to speak and vote rights (except where they are required to abstain from voting on relevant matters in accordance with the security regulatory rules of the Company’s share listing place);
- (iii) Supervising the Company’s operations, making proposals or inquiries;
- (iv) Transferring, gifting or pledging the Company’s shares held by them in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

- (v) Inspecting and copying these Articles of Association, the register of shareholders, the minutes of shareholders’ meetings, the resolutions of board meetings and the financial and accounting reports; shareholders who individually or collectively hold 3% or more of the Company’s shares for a consecutive period of 180 days or more may inspect the Company’s accounting books and accounting vouchers. If the Company has reasonable grounds to believe that the shareholder’s inspection of the accounting books and accounting vouchers is for an improper purpose and may harm the legitimate interests of the Company, it may refuse to provide such inspection and shall give a written reply to the shareholder and explain the reasons within 15 days from the date on which the shareholder submits a written request;
- (vi) Participating in the distribution of the Company’s residual assets in accordance with the proportion to their shareholdings upon the termination or liquidation of the Company;
- (vii) Inspecting the Hong Kong branch of the Company’s register of shareholders, provided that the Company may suspend the registration of shareholders in accordance with provisions equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
- (viii) Requesting the Company to purchase their shares if they dissent from the resolution on the merger or division of the Company adopted by the shareholders’ meeting;
- (ix) Other rights as prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the relevant provisions of the security regulatory authority and stock exchange of the Company’s securities listing place or these Articles of Association.

General Provisions on Shareholders’ Meeting

The shareholders’ meeting shall consist of all shareholders. As the supreme governing body of the Company, it shall exercise the following powers in accordance with the law:

- (i) Determining the Company’s business policies and investment plans;
- (ii) Electing and replacing directors who are not employee representatives, and determining matters relating to the remuneration of such directors;
- (iii) Deliberating and approving the report of the board of directors;
- (iv) Deliberating and approving the Company’s annual financial budget plans and final accounts plans;
- (v) Deliberating and approving the Company’s profit distribution plans and loss offset plans;
- (vi) Adopting resolutions on the increase or reduction of the Company’s registered capital;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

- (vii) Adopting resolutions on the Company’s listing, issuance of securities (including private placement of shares) and bonds;
- (viii) Adopting resolutions on the Company’s merger, division, dissolution, liquidation or change of corporate form;
- (ix) Amending these Articles of Association;
- (x) Adopting resolutions on the engagement or dismissal of the accounting firm undertaking the Company’s audit accounts;
- (xi) Deliberating and approving equity incentive plans, employee stock ownership scheme or amendments thereto;
- (xii) Deliberating and approving transactions between the Company (or its subsidiaries within the scope of consolidated financial statements) and related parties where the transaction amount (excluding guarantees provided) accounts for more than 5% of the Company’s total assets in the latest audited financial statements and exceeds RMB30 million, or accounts for more than 30% of the Company’s total assets in the latest audited financial statements;
- (xiii) Adopting resolutions on the Company’s repurchase of its own shares under the circumstances specified in Article 25 (i) and (ii) of these Articles of Association;
- (xiv) Deliberating and approving matters regarding the change of the use of proceeds;
- (xv) Deliberating and approving major asset matters as stipulated in Article 47 of these Articles of Association;
- (xvi) Deliberating and approving guarantee matters as stipulated in Article 48 of these Articles of Association;
- (xvii) Deliberating and approving matters regarding the provision of financial assistance to external parties as stipulated in Article 49 of these Articles of Association;
- (xviii) Deliberating other matters that shall be decided by the shareholders’ meeting as prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities or these Articles of Association.

The shareholders’ meeting shall be divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once (1) a year and shall be convened within six (6) months after the end of the previous financial year.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Company shall convene an extraordinary general meeting within two (2) months from the date on which any of the following circumstances occurs:

- (i) The number of directors is less than the statutory minimum number (3 persons) as stipulated by the Company Law, or less than two-thirds (8 persons) of the number stipulated in these Articles of Association;
- (ii) The Company’s uncovered losses amount to one-third (1/3) of the total share capital;
- (iii) Shareholders individually or collectively holding ten percent (10%) or more of the Company’s shares make a request;
- (iv) The Board of Directors deems it necessary;
- (v) The Audit Committee proposes to convene;
- (vi) Other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities or these Articles of Association.

The number of shares held by the shareholders mentioned in item (iii) above shall be calculated based on the shares held by the shareholders on the date of submission of the written request.

Convening of Shareholders’ Meeting

The shareholders’ meeting shall be convened by the Board of Directors in accordance with the law; where the Board of Directors fails or refuses to perform its duty of convening the shareholders’ meeting, the Audit Committee shall promptly convene and preside it; where the Audit Committee refuses to convene and preside over the meeting, shareholders who individually or collectively hold ten percent (10%) or more of the Company’s shares for a consecutive period of ninety (90) days or more may convene and preside over the meeting on their own initiative.

With the consent of more than half of all independent non-executive directors, the independent non-executive directors shall have the right to propose to the Board of Directors the convening of an extraordinary shareholders’ meeting. In response to a proposal of the independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association, provide written feedback on its consent or refusal to convene the extraordinary Shareholders’ Meeting within ten (10) days after receiving the proposal. If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of the shareholders’ meeting within five (5) days after the adoption of the board resolution; if the Board of Directors disagrees to convene the extraordinary general meeting, it shall state the reasons and make an announcement.

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The Audit Committee shall propose to the Board of Directors to convene an extraordinary shareholders’ meeting in writing. The Board of Directors shall give written feedback on its consent or refusal to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association.

If the Board of Directors consents to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five (5) days after the adoption of the board resolution. Any modification to the original proposal shall be subject to the consent of the Audit Committee.

If the Board of Directors refuses to convene an extraordinary shareholders’ meeting or fails to provide feedback within ten (10) days upon receipt of the proposal, it shall be deemed that the Board of Directors fails or refuses to perform its duty to convene a shareholders’ meeting, and the Audit Committee may convene and preside over the meeting on its own initiative.

Shareholders holding individually or collectively ten percent (10%) or more of the Company’s shares and request the Board of Directors to convene an extraordinary shareholders’ meeting shall submit a written request to the Board of Directors. The Board of Directors shall give written feedback on its consent or refusal to convene the extraordinary shareholders’ meeting within ten (10) days upon receipt of the request in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association.

If the Board of Directors consents to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five (5) days after the adoption of the board resolution. Any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors refuses to convene an extraordinary shareholders’ meeting or fails to give feedback within ten (10) days upon receipt of the request, shareholders holding individually or collectively ten percent (10%) or more of the Company’s shares shall propose to the Audit Committee to convene an extraordinary shareholders’ meeting in writing.

If the Audit Committee consents to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five (5) days upon receipt of the request. Any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders’ meeting within the specified time limit, it shall be deemed that the Audit Committee refuses to convene and preside over the shareholders’ meeting, and shareholders who individually or collectively hold ten percent (10%) or more of the Company’s shares for a consecutive period of ninety (90) days or more may convene and preside over it on their own initiative.

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Proposals and Notices of Shareholders’ Meeting

The content of proposals for the shareholders’ meeting shall fall within the scope of authority of the shareholders’ meeting, have clear agenda items and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association.

When the Company convenes a shareholders’ meeting, the Board of Directors, the Audit Committee and shareholders holding individually or collectively one percent (1%) or more of the Company’s shares shall have the right to submit proposals to the Company.

Shareholders holding individually or collectively one percent (1%) or more of the Company’s shares may submit an interim proposal ten (10) days prior to the convening of the shareholders’ meeting and submit it to the convener in writing. The convener shall issue a supplementary notice of the shareholders’ meeting within two (2) days upon receipt of the proposal, announce the contents of the interim proposal and submit such interim proposal to the shareholders’ meeting for deliberation, unless such interim proposal violates the provisions of laws, administrative regulations, the Hong Kong Listing Rules or these Articles of Association, or falls outside the scope of the authority of the shareholders’ meeting.

Except in the circumstances specified above, after issuing the notice of the shareholders’ meeting, the convener shall not modify the proposals already listed in the notice or add new proposals.

The shareholders’ meeting shall not vote on or adopt resolutions on any proposals not listed in the notice of the shareholders’ meeting or not in compliance with the provisions of these Articles of Association.

The convener shall give notice to all shareholders by way of announcement at least twenty-one (21) days prior to the date of the annual general meeting and at least fifteen (15) days prior to the date of the extraordinary general meeting.

The notice of the shareholders’ meeting shall include the following contents:

- (i) The time, venue and duration of the meeting;
- (ii) The matters and proposals to be submitted to the meeting for deliberation;
- (iii) A prominent statement that all shareholders are entitled to attend the shareholders’ meeting and may appoint a proxy in writing to attend and vote at the meeting, and such proxy need not be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the shareholders’ meeting;
- (v) The name and telephone number of the permanent contact person for meeting affairs;

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- (vi) The time and procedure for voting by electronic or other methods (if applicable);
- (vii) Other requirements as stipulated by laws, regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place and these Articles of Association.

The notice and supplementary notice of the shareholders’ meeting shall fully and completely disclose all specific contents of all proposals and all information and explanations necessary for shareholders to make reasonable judgments on the matters to be discussed.

Holding of Shareholders’ Meeting

All shareholders or their proxies registered on the record date shall have be entitled to attend the shareholders’ meeting and may speak and exercise voting rights at the shareholders’ meeting in accordance with relevant laws, regulations and these Articles of Association (unless individual shareholders are required to abstain from voting on specific matters pursuant to the security regulatory rules of the Company’s share listing place).

A shareholder may attend the shareholders’ meeting in person or appoint a proxy to attend, speak and vote on its behalf. Each shareholder may appoint one or more proxies, who need not be shareholders of the Company. An individual shareholder attending the meeting in person shall present his/her identity card or other valid documents certifying his/her identity; a proxy attending the meeting on behalf of a shareholder shall present his/her valid identity document and the power of attorney from the shareholder.

The shareholders’ meeting shall be chaired by the chairman of the board. If the chairman is unable or fails to perform his/her duties, the meeting shall be chaired by a director jointly elected by more than half of the directors.

A shareholders’ meeting convened by the Audit Committee on its own initiative shall be chaired by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be chaired by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A shareholders’ meeting convened by shareholders on their own initiative shall be chaired by the convener(s) or a representative elected by them.

Where the chairman of the meeting violates the rules of procedure and renders the shareholders’ meeting unable to proceed, the shareholders’ meeting may elect a person to act as the chairman of the meeting to continue the meeting with the consent of more than half of the voting shareholders present at the meeting.

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The Company shall formulate rules of procedure for shareholders’ meetings, which shall specify in detail the procedures for convening, holding and voting at shareholders’ meetings, including notification, registration, deliberation of proposals, voting, vote counting, announcement of voting results, adoption of meeting resolutions, preparation, signing and announcement of meeting minutes, etc., as well as the principles for the shareholders’ meeting to delegate authority to the Board of Directors (with the delegated authority to be clearly and specifically defined). The rules of procedure for shareholders’ meetings shall be an annex to these Articles of Association, formulated by the Board of Directors and approved by the shareholders’ meeting.

Voting and Resolutions of Shareholders’ Meeting

Resolutions of the shareholders’ meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders’ meeting shall be adopted by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of the shareholders’ meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be adopted by ordinary resolution of the shareholders’ meeting:

- (i) Consider and approve the Company’s profit distribution plan and loss recovery plan;
- (ii) Elect and replace Directors who are not employee representatives, and determine the remuneration of such Directors;
- (iii) Consider and approve the report of the Board of Directors;
- (iv) Consider and approve the Company’s annual report;
- (v) Consider and approve the Company’s annual budget plan and final account plan;
- (vi) Consider and approve the appointment or dismissal of the accounting firm handling the Company’s audit services;
- (vii) Consider and approve any change in the use of proceeds raised through offerings;
- (viii) Consider and approve the guarantee matters set out in Article 48 of these Articles of Association;
- (ix) Consider and approve other transactions that require the approval of the shareholders’ meeting under laws, regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company’s shares are listed, relevant regulatory authorities, and these Articles of Association;
- (x) Other matters that are not required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company’s shares are listed, relevant regulatory authorities, or these Articles of Association to be approved by way of a special resolution.

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The following matters shall be adopted by special resolution of the shareholders’ meeting:

- (i) Increase or decrease of the Company’s registered capital;
- (ii) Issuance of shares, bonds or other types of securities by the Company, and the Company’s listing plan;
- (iii) Merger, division, carve-out, dissolution, liquidation or change of corporate form of the Company;
- (iv) Amendment of these Articles of Association;
- (v) Equity incentive plans and employee stock ownership plans;
- (vi) Share repurchase;
- (vii) Consider and approve material asset transaction matters as set out in Article 47 of these Articles of Association;
- (viii) Consider and approve the provision of financial assistance to external parties as set out in Article 49 of these Articles of Association;
- (ix) Other matters that are required by laws, administrative regulations, the Hong Kong Listing Rules, these Articles of Association, the securities regulatory rules of the place where the Company’s shares are listed, and relevant regulatory authorities, as well as other matters that the shareholders’ meeting determines by ordinary resolution to have a material impact on the Company and therefore require approval by way of a special resolution.

When the shareholders’ meeting elects two or more independent directors, cumulative voting shall be adopted.

Where the shareholders’ meeting adopts a proposal on cash dividend distribution, bonus share issue or capital reserve conversion into share capital, the Company shall implement the specific plan within two (2) months after the conclusion of the shareholders’ meeting. If there the relevant laws, regulations, the Hong Kong Listing Rules and the relevant provisions of the security regulatory authority of the Company’s share listing place have other provisions on the above-mentioned matters, such provisions shall prevail.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

Directors of the Company shall be natural persons. A person shall not hold the position of a director of the Company if he/she falls under any of the following circumstances:

- (i) Being with no capacity for civil conduct or with limited capacity for civil conduct;
- (ii) Having been sentenced to criminal punishment for embezzlement, bribery, seizure of property, misappropriation of property or sabotaging the socialist market economic order, or having been deprived of political rights due to a crime, and less than five (5) years have passed since the expiration of the execution period; or if he/she was given a suspended sentence, less than two (2) years have passed since the expiration of the probation period;

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- (iii) Having served as a director, factory director or manager of a company or enterprise under bankruptcy liquidation, and bearing personal liability for the bankruptcy of such company or enterprise, and less than three (3) years have not elapsed since the completion of bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license was revoked or ordered to close due to violation of law, and bearing personal liability for such circumstances, and less than three (3) years have not elapsed since the date such company or enterprise had its business license revoked or was ordered to close down;
- (v) Being listed as a person subject to enforcement for default by a court due to failure to repay a relatively large amount of matured personal debts;
- (vi) Having been subject to a market ban penalty imposed by the CSRC and the penalty period has not expired;
- (vii) Other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the security regulatory rules of the Company’s share listing place and the relevant regulatory authorities.

Any election, appointment or engagement of a director in violation of the provisions of this Article shall be invalid. If a director falls under any of the circumstances specified in this Article during his/her term of office, the Company shall dismiss him/her from office and suspend him/her from performing his/her duties.

Directors shall be elected or replaced by the shareholders’ meeting and may be removed from office by the shareholders’ meeting before the expiration of their term. The term of office of a director is three (3) years, and a director may be re-elected upon expiration of the term.

Directors may be concurrently senior management personnel, provided that the total number of directors who are concurrently senior management personnel and directors who are employee representatives shall not exceed one-half (1/2) of the total number of directors of the Company.

Directors shall owe the following fiduciary duties to the Company:

- (i) Not to misappropriate the Company’s property or funds;
- (ii) Not to deposit the Company’s funds in an account opened in his/her own name or any other individual’s name;
- (iii) Not to accept bribes or other illegal income by taking advantage of his/her position;

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- (iv) Not to enter into a contract or transaction with the Company directly or indirectly without reporting to the Board of Directors or the shareholders’ meeting and obtaining a resolution of the Board of Directors or the shareholders’ meeting in accordance with these Articles of Association;
- (v) Not to take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or others, unless he/she has reported to the Board of Directors or the shareholders’ meeting and obtained approval by resolution of the shareholders’ meeting, or the Company is unable to take advantage of such business opportunities in accordance with the provisions of laws, administrative regulations or these Articles of Association;
- (vi) Not to operate a business that is the same as or similar to the Company’s business for himself/herself or others without reporting to the Board of Directors or the shareholders’ meeting and obtaining approval by resolution of the shareholders’ meeting;
- (vii) Not to lend the Company’s funds to others or provide guarantees for others with the Company’s property in violation of the provisions of these Articles of Association without the consent of the shareholders’ meeting or the Board of Directors;
- (viii) Not to take for himself/herself the commissions from transactions between others and the Company;
- (ix) Not to disclose the Company’s secrets without authorization;
- (x) Not to damage the Company’s interests by taking advantage of his/her related relationships;
- (xi) Other fiduciary duties as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association.

Any income obtained by a director in violation of the provisions of this Article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

Directors shall owe the following duty of diligence to the Company:

- (i) To exercise the rights conferred by the Company with due care, diligence and prudence to ensure that the Company’s commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and do not exceed the business scope specified in the business license;
- (ii) To treat all shareholders fairly;
- (iii) To keep abreast of the Company’s business operation and management status in a timely manner;

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- (iv) To sign written confirmation opinions on the Company’s periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;
- (v) To provide truthful information and materials to the Audit Committee and not to obstruct the Audit Committee from exercising its functions and powers;
- (vi) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these Articles of Association.

If a director fails to attend a board meeting in person twice consecutively and does not appoint another director to attend on his/her behalf, it shall be deemed that he/she is unable to perform his/her duties, and the Board of Directors shall propose to the shareholders’ meeting to remove him/her. Subject to compliance with the security regulatory rules of the Company’s share listing place, a director attending a board meeting by electronic, video, telephone or other equivalent methods shall also be deemed to have attended in person.

A director may resign before the expiration of his/her term of office. A director’s resignation shall be submitted to the board of directors in writing, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall disclose the relevant information as soon as possible after the resignation takes effect and, in any event, no later than the commencement of the next trading day.

If the resignation of a director results in the number of members of the Board of Directors falling below the statutory minimum number, or the resignation of an independent non-executive director results in the proportion of independent non-executive directors in the board of directors or its special committees or the lack of professionally qualified independent non-executive directors failing to comply with the provisions of laws, regulations, departmental rules, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place or these Articles of Association, the original director shall continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these Articles of Association until the newly elected director takes office.

The Company shall have independent non-executive directors. Independent non-executive directors shall perform their duties in accordance with the provisions of laws, regulations, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association.

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Independent Non-Executive Directors

Independent non-executive directors must maintain independence. The following persons shall not serve as independent non-executive directors:

- (i) Persons holding positions in the Company or its subsidiaries, and their spouses, parents, children and major social relations;
- (ii) Natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or are among the top ten shareholders of the Company, and their spouses, parents and children;
- (iii) Persons holding positions in shareholders who directly or indirectly hold 5% or more of the issued shares of the Company or in the top five shareholders of the Company, and their spouses, parents and children;
- (iv) Persons holding positions in subsidiaries of the Company’s controlling shareholders and their spouses, parents and children;
- (v) Persons having material business transactions with the Company, its controlling shareholders or their respective subsidiaries, or persons holding positions in entities with such material business transactions and the controlling shareholders or ultimate controllers of such entities;
- (vi) Persons providing financial, legal, consulting, sponsoring and other services to the Company, its controlling shareholders or their respective subsidiaries, including but not limited to all members of the project team of the intermediary institution providing the services, reviewers at all levels, signatories of reports, partners, directors, senior management and principal persons;
- (vii) Persons who have fallen under any of the circumstances specified in items (i) to (vi) above in the past 12 months;
- (viii) Other persons who do not being independent as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association.

Independent non-executive directors shall conduct self-assessment on their independence annually and submit the self-assessment results to the Board of Directors. The Board of Directors shall assess the independence of the in-office independent non-executive directors annually and issue a special opinion, which shall be disclosed together with the annual report.

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A person serving as an independent non-executive director of the Company shall meet the following conditions:

- (i) Possessing the qualification to serve as a director of a listed company in accordance with laws, administrative regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and other relevant provisions;
- (ii) Meeting the independence requirements specified in these Articles of Association;
- (iii) Possessing basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;
- (iv) Having not less than five (5) years of work experience in law, accounting, economics or other fields necessary for performing the duties of an independent non-executive director;
- (v) Having good personal conduct and no bad records such as major dishonesty;
- (vi) Other conditions as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association.

Independent non-executive directors shall exercise the following special authorities:

- (i) Engaging intermediaries to conduct audits, consultations or verifications on specific matters of the Company independently;
- (ii) Proposing to the Board of Directors to convene an extraordinary general meeting;
- (iii) Proposing to convene a board meeting;
- (iv) Soliciting shareholder rights from shareholders publicly in accordance with the law;
- (v) Expressing independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;
- (vi) Other authorities as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association.

The exercise by independent non-executive directors of the authorities specified in items (i) to (iii) above shall be subject to the consent of more than half of all independent non-executive directors.

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The Company shall promptly disclose the exercise by independent non-executive directors of the authorities listed above. If the above authorities cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

The following matters shall be submitted to the Board of Directors for deliberation after obtaining the consent of more than half of all independent non-executive directors of the Company:

- (i) Proposals for the Company and relevant parties to amend or waive commitments;
- (ii) Decisions and measures adopted by the Board of Directors of the acquired listed company in response to the acquisition;
- (iii) Other matters as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place, the relevant regulatory authorities and these Articles of Association.

Board of Directors

The Company establishes a Board of Directors, which shall consist of 12 directors, including 1 chairman. The chairman shall be elected by the Board of Directors by a majority of all directors. The directors of the Company shall be divided into executive directors, non-executive directors, independent non-executive directors and staff directors, including at least one executive director, at least three independent non-executive directors accounting for not less than one-third of the total number of Directors of the Board, at least one independent non-executive director must possess appropriate professional qualifications or appropriate expertise in accounting or related financial management, and one staff director. Candidates for executive directors shall be senior management personnel of the Company.

The Board of Directors shall exercise the following authorities:

- (i) Convening shareholders’ meetings and reporting on work to the shareholders’ meeting;
- (ii) Implementing resolutions of the shareholders’ meeting;
- (iii) Deliberating and approving the Company’s annual business plan, medium and long-term strategic plan and annual investment plan;
- (iv) Deliberating and approving the Company’s annual financial budget plans and final accounts plans;
- (v) Formulating the Company’s profit distribution plan and loss offset plan;
- (vi) Formulating plans for the increase or decrease of the Company’s registered capital;
- (vii) Formulating plans for the Company’s listing and issuance of securities and bonds;

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- (viii) Formulating plans for material acquisition and repurchase of the Company’s own shares;
- (ix) Formulating plans for the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (x) Formulating plans for the amendment of the Company’s Articles of Association
- (xi) Formulating equity incentive plans and employee stock ownership scheme;
- (xii) Formulating the Company’s basic systems;
- (xiii) Determining the establishment of the Company’s internal management structure;
- (xiv) Deliberating and approving matters such as external investment, acquisition and sale of assets, asset mortgage, entrusted financial management and related transactions of the Company within the scope of authorization by the shareholders’ meeting;
- (xv) Deliberating and approving the annual debt financing plan and debt financing beyond the annual debt financing plan (excluding the issuance of corporate bonds);
- (xvi) Determining the engagement or dismissal the general manager of the Company and determining his/her remuneration, rewards and punishments; [1.1] determining the engagement or dismissal the Company’s CFO and Secretary to the Board of Directors and determining their remuneration, rewards and punishments; determining the engagement or dismissal other senior management personnel such as deputy general managers of the Company upon nomination by the general manager and determining their remuneration, rewards and punishments;
- (xvii) Proposing to the shareholders’ meeting for approval of the engagement or replacement of the accounting firm engaged to audit the Company’s accounts;
- (xviii) Deliberating matters relating to external guarantees and financial assistance of the Company (unless otherwise provided in these Articles of Association);
- (xix) Managing the Company’s information disclosure matters;
- (xx) Receiving work reports from the general manager of the Company and supervising the work of the general manager;
- (xxi) Deliberating other matters as stipulated by laws, administrative regulations, departmental rules, the security regulatory rules of the Company’s share listing place, these Articles of Association, authorized by the shareholders’ meeting or stipulated by the relevant regulatory authorities to be resolved by the Board of Directors.

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The Board of Directors shall formulate rules of procedure for board meetings to ensure that the Board of Directors implements resolutions of the shareholders’ meeting, improves work efficiency and ensures scientific decision-making.

Board meetings shall be divided into regular meetings and extraordinary meetings. Regular meetings shall be held at least four (4) times a year, once per quarter.

The chairman of the board shall exercise the following authorities:

- (i) Presiding over shareholders’ meetings and convening and presiding over board meetings;
- (ii) Supervising and inspecting the implementation of board resolutions;
- (iii) Other authorities as conferred by the Board of Directors.

Special Committees of the Board of Directors

The Board of Directors of the Company shall establish special committees including Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Strategy and ESG Committee, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. Proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors.

Senior Management

The Company shall have one (1) general manager, who shall be nominated by the chairman of the board and appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers, the specific number of whom shall be determined by the Board of Directors according to the Company’s business conditions. Deputy general managers shall be nominated by the general manager and appointed or dismissed by the Board of Directors.

The Company’s CFO and secretary of the Board of Directors shall be nominated by the chairman of the board, and other senior management personnel shall be nominated by the general manager, and all of them shall be appointed or dismissed by the Board of Directors.

The provisions of these Articles of Association regarding the circumstances that disqualify a person from serving as a director and the resignation management system shall apply to senior management personnel. The provisions of these Articles of Association regarding the fiduciary and diligence duty of directors shall apply to senior management personnel.

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The general manager shall be responsible to the Board of Directors and exercise the following authorities:

- (i) Presiding over the production, operation and management of the Company, organizing the implementation of board resolutions and reporting on work to the Board of Directors;
- (ii) Organizing the implementation of the Company’s annual business plan and investment plan;
- (iii) Formulating plans for the establishment of the Company’s internal management structure;
- (iv) Formulating the Company’s basic management systems;
- (v) Formulating the Company’s specific rules and regulations;
- (vi) Proposing to the Board of Directors the appointment or dismissal of deputy general managers and CFO of the Company;
- (vii) Appointing or dismissing management personnel other than those to be appointed or dismissed by the Board of Directors;
- (viii) Other authorities as conferred by these Articles of Association or the Board of Directors.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting Systems

The Company shall formulate its financial and accounting systems in accordance with the provisions of laws, administrative regulations, relevant national authorities and the Hong Kong Listing Rules.

The Company’s financial year shall be the calendar year, i.e. from January 1 to December 31 of the Gregorian calendar. The Company shall prepare annual financial and accounting reports in a timely manner in accordance with the requirements of relevant laws, regulations, the Hong Kong Listing Rules, the security regulatory rules of the Company’s share listing place and the relevant regulatory authorities upon the expiration of each financial year. The Company shall adopt RMB as its bookkeeping currency and keeps its accounts in Chinese.

The Company shall send the aforementioned reports to each H-share Shareholder in a manner complying with the provisions of the Hong Kong Listing Rules at least twenty-one (21) days prior to the date of the annual general meeting and within four (4) months after the end of the relevant financial year.

The Company shall publish two (2) interim results announcements each (1) financial year, i.e. an interim results announcement within two (2) months after the end of the first six (6) months of any (1) financial year and an annual results announcement within four (4) months after the end of the financial

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year. Upon completion of the interim and annual results announcements, the Company shall complete the formalities and make announcements in accordance with the provisions of national laws, regulations, the Hong Kong Listing Rules and the security regulatory rules of the Company’s share listing place.

The Company shall not keep any accounting books other than the statutory accounting books. The Company’s funds shall not be deposited in any account opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate ten percent (10%) of the profits to the Company’s statutory reserve fund. Allocation to the statutory reserve fund may cease when the accumulated amount of the statutory reserve fund reaches fifty percent (50%) or more of the Company’s registered capital.

If the Company’s statutory reserve fund is insufficient to cover the losses of previous years, the current year’s profits shall first be used to cover the losses before allocation to the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After allocating the statutory reserve fund from after-tax profits, the Company may also allocate a discretionary reserve fund from after-tax profits upon a resolution of the shareholders’ meeting.

The remaining after-tax profits of the Company after covering losses and allocating reserve funds shall be distributed in proportion to the shareholdings of shareholders, unless otherwise provided in these Articles of Association.

If the shareholders’ meeting distributes profits to shareholders in violation of the Company Law, shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, shareholders and the responsible directors and senior management personnel shall be liable for compensation.

Shares held by the Company in itself shall not participate in profit distribution.

Internal Audit

The Company shall implement an internal audit system, which specifies the leadership system, responsibilities and powers, staffing, funding support, application of audit results and accountability of internal audit work. The Company’s internal audit system shall be implemented upon approval by the Board of Directors and disclosed to the public.

The Company’s internal audit institution shall supervise and inspect the Company’s business activities, risk management, internal control, financial information and other matters. The internal audit department shall maintain independence, be staffed with full-time auditors, and shall not be under the leadership of the finance department or co-located with the finance department.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Engagement of Accounting Firms

The Company shall engage an accounting firm that meets the requirements stipulated in the Securities Law to conduct audits of accounting statements, verification of net assets and other relevant consulting services, for a term of one (1) year, which may be renewed.

The engagement and dismissal of the auditing accounting firm shall be decided by the shareholders’ meeting. The Board of Directors shall not appoint an accounting firm prior to the decision of the shareholders’ meeting.

The Company shall ensure that true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials are provided to the engaged accounting firm, and shall not refuse, conceal or make false reports.

The audit fees of the accounting firm shall be decided by the shareholders’ meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall give the accounting firm ten (10) days’ prior notice. When the Company’s shareholders’ meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

If an accounting firm proposes to resign, it shall explain to the shareholders’ meeting whether there is any improper circumstance of the Company.

Merger, Division, Increase and Reduction of Registered Capital, Dissolution and Liquidation

For a merger of the Company, the parties to the merger shall sign a merger agreement and prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within ten (10) days from the date of adoption of the merger resolution and make an announcement on the National Enterprise Credit Information Publicity System within thirty (30) days. Creditors may demand the Company to repay its debts or provide corresponding guarantees within thirty (30) days from the date of receipt of the notice, or within forty-five (45) days from the date of the announcement if no notice is received.

Upon merger of the Company, the claims and debts of all parties to the merger shall be succeeded by the surviving company or the newly established company after the merger.

In the event of a division of the Company, its assets shall be divided accordingly.

For a division of the Company, a balance sheet and a detailed inventory of assets shall be prepared. The Company shall notify its creditors within ten (10) days from the date of adoption of the division resolution and make an announcement on the National Enterprise Credit Information Publicity System within thirty (30) days.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The debts of the Company prior to the division shall be jointly and severally liable by the companies after the division, unless otherwise agreed in a written agreement reached between the Company and its creditors before the division regarding the settlement of debts.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets.

The Company shall notify its creditors within ten (10) days from the date of adoption of the resolution on reduction of registered capital by the shareholders’ meeting and make an announcement on the National Enterprise Credit Information Publicity System within thirty (30) days. Creditors shall have the right to demand the Company to repay its debts or provide corresponding guarantees within thirty (30) days from the date of receipt of the notice, or within forty-five (45) days from the date of the announcement if no notice is received.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) The expiration of the operating period specified in these Articles of Association or the occurrence of other dissolution causes specified in these Articles of Association;
- (ii) A resolution on dissolution is adopted by the shareholders’ meeting;
- (iii) Dissolution is required due to merger or division of the Company;
- (iv) The Company’s business license is revoked, it is ordered to close down or it is dissolved in accordance with the law;
- (v) Where the Company encounters serious difficulties in its operation and management, and its continued existence will cause material losses to the interests of shareholders, which cannot be resolved through other means, shareholders holding ten percent (10%) or more of the voting rights of the Company may petition the court to dissolve the Company.

Upon the occurrence of a dissolution cause specified in the preceding paragraph, the Company shall publicize the dissolution cause through the National Enterprise Credit Information Publicity System within ten (10) days.

Where the Company falls under the circumstances specified in items (i) and (ii) above of these Articles of Association and has not yet distributed assets to shareholders, it may continue to exist by amending these Articles of Association or upon a resolution of the shareholders’ meeting.

The amendment of these Articles of Association or the resolution of the shareholders’ meeting in accordance with the preceding paragraph shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders present at the shareholders’ meeting.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Where the Company is dissolved in accordance with the provisions of items (i), (ii), (iv) and (v) above of these Articles of Association, it shall be liquidated. Directors shall be the liquidation obligors of the Company and shall form a liquidation committee to conduct liquidation within fifteen (15) days from the date of occurrence of the dissolution cause. The liquidation committee shall consist of directors, unless otherwise provided in these Articles of Association or other persons are selected by a resolution of the shareholders’ meeting.

If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or its creditors, they shall be liable for compensation.

The liquidation committee shall exercise the following authorities during the liquidation period:

- (i) Clearing up the Company’s assets and preparing a balance sheet and a detailed inventory of assets respectively;
- (ii) Notifying and announcing to creditors;
- (iii) Handling the Company’s outstanding business relating to the liquidation;
- (iv) Paying off all unpaid taxes and taxes incurred during the liquidation process;
- (v) Clearing up claims and debts;
- (vi) Distributing the residual assets of the Company after repayment of debts;
- (vii) Representing the Company in civil litigation activities.

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within sixty (60) days. Creditors shall declare their claims to the liquidation committee within thirty (30) days from the date of receipt of the notice, or within forty-five (45) days from the date of the announcement if no notice is received. When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting materials. The liquidation committee shall register the claims.

During the claim declaration period, the liquidation committee shall not make repayments to creditors.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Amendment to Articles of Association

The Company shall amend these Articles of Association under any of the following circumstances:

- (i) After the amendment of the Company Law or relevant laws, regulations, the Hong Kong Listing Rules or the security regulatory rules of the Company’s share listing place, the matters specified in these Articles of Association conflict with the provisions of the amended laws, regulations, the Hong Kong Listing Rules or the security regulatory rules of the Company’s share listing place;
- (ii) Changes in the Company’s circumstances are inconsistent with the matters recorded in these Articles of Association;
- (iii) The shareholders’ meeting decides to amend these Articles of Association.

Where the amendment to these Articles of Association adopted by a resolution of the shareholders’ meeting is subject to the approval of the competent authority, it shall be submitted to the competent authority for approval; where it involves Company registration matters, the change registration shall be handled in accordance with the law.

The Board of Directors shall amend these Articles of Association in accordance with the resolution of the shareholders’ meeting on the amendment to these Articles of Association and the approval opinions of the relevant competent authorities.

Matters relating to the amendment to these Articles of Association that are required to be disclosed by laws and regulations shall be announced in accordance with the provisions.

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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established in the PRC on April 28, 2018 as a limited liability company and was converted to a joint stock company with limited liability under the laws of the PRC on December 27, 2024.

As of the date of this document, our Company’s registered office is located at 2-18-1801, 1802, Longshan Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC. Our Company has established a principal place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on April 30, 2026. Ms. Kwok Yan Ting Jennis (郭恩廷), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong, whose correspondence address is 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix V — Summary of the Articles of Association of the Company”. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Appendix IV — Summary of Principal Legal and Regulatory Provisions”.

2. Changes in Share Capital of Our Company

For details relating to the changes in the share capital of our Company, see the section headed “History, Development and Corporate Structure — Corporate Development of our Group — Our Company” in this document.

Save as disclosed above, there has been no alteration in our share capital within the two years immediately preceding the date of this document.

3. Our Subsidiaries and Changes in Share Capital of Our Subsidiaries

The list of our principal subsidiaries is set out in Note 15 to the Accountants’ Report, the text of which is set out in Appendix I to this document.

In addition to the alternations described in the section headed “History, Development and Corporate Structure” in this document, the following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this document.

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On February 5, 2026, the registered capital of Qinghuangdao Taili increased from RMB20 million to RMB23.5 million, with Beijing Hejun Machinery Equipment Maintenance Co., Ltd.* (北京和君機械設備維修有限公司)(“**Beijing Hejun**”) subscribing for the increased registered capital of RMB3.5 million.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Shareholders’ Resolutions

In accordance with the Shareholders’ resolutions of our Company dated April 22, 2026, the following resolutions, among other things, were duly passed by the Shareholders:

- (a) the [REDACTED] by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be [REDACTED] shall be no more than [REDACTED]% of the total issued share capital of our Company upon completion of the [REDACTED] (before the exercise of the [REDACTED]), and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED];
- (d) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of the H Shares on the Stock Exchange; and
- (e) subject to the completion of the [REDACTED], the granting of a general mandate to our Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of our Company or the date on which our Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in its absolute discretion deems fit, and to complete all necessary procedures, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as of the [REDACTED].

5. Restrictions on Repurchase

For details of the restrictions on share repurchases by our Company, see the section headed “Appendix V — Summary of the Articles of Association of the Company” in this document.

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STATUTORY AND GENERAL INFORMATION

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

The following contract (not being contract entered into in the ordinary course of business) has been entered into by us or any of our subsidiaries within the two years immediately preceding the date of this document that are or may be material:

(a) [REDACTED]

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
1.		our Company	81719942	42	May 13, 2035	PRC
2.		our Company	81718993	7	May 13, 2035	PRC
3.		our Company	81724845	11	May 13, 2035	PRC
4.		our Company	74288878	11	April 13, 2034	PRC
5.		our Company	306904071	7, 11, 42	May 19, 2035	Hong Kong
6.		Xinfa Zhilian	70445746	35	December 27, 2033	PRC
7.		Xinfa Zhilian	68145844	9	July 27, 2033	PRC
8.		Xinfa Zhilian	68149619	37	July 27, 2033	PRC
9.		Guangdong Haiborui	80312759	4	February 20, 2035	PRC
10.		Guangdong Haiborui	80300153	7	April 27, 2035	PRC
11.		Guangdong Haiborui	80322271	11	April 27, 2035	PRC

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(b) *Patents*

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Patent Number	Patent Type	Application Date	Place of Registration
1.	An Optimization Scheduling Method and Device for Collaborative Supply-demand Bilateral of Air Conditioning System . .	our Company	CN202511393689.3	Invention Patent	September 28, 2025	PRC
2.	A Power Supply and Distribution Monitoring and Management System for Intelligent Buildings	our Company	CN202411744646.0	Invention Patent	December 1, 2024	PRC
3.	IoT-based High-efficiency Equipment Management System and Method for HVAC in Computer Rooms	our Company	CN202211345420.4	Invention Patent	October 31, 2022	PRC
4.	Waste Heat Recovery Method for Industrial Production Based on Green Energy . . .	our Company	CN202311252990.3	Invention Patent	September 26, 2023	PRC
5.	An AI-based Adaptive Computer Room Environment Monitoring and Regulation System	our Company	CN202311525046.0	Invention Patent	November 16, 2023	PRC
6.	Integrated Management Platform for High-efficiency Energy Recovery and Reuse .	our Company	CN202311683984.3	Invention Patent	December 11, 2023	PRC
7.	Data Analysis-based Factory Energy Consumption Management Method	our Company	CN202311359320.1	Invention Patent	October 20, 2023	PRC
8.	An Operation and Maintenance Management System for Evaporative Cooling Equipment	our Company	CN202311367978.7	Invention Patent	October 23, 2023	PRC
9.	An Intelligent Manufacturing Scheduling Method with Self-learning Capability . .	our Company	CN202311058332.0	Invention Patent	August 22, 2023	PRC
10.	Multi-dimensional Intelligent Facility Monitoring System Based on IoT Technology	our Company	CN202311116819.X	Invention Patent	September 1, 2023	PRC
11.	Hybrid Refrigeration System and Method . .	our Company	CN202210958208.9	Invention Patent	August 11, 2022	PRC
12.	An Automatic Abnormal Handling Control System for New Energy Management Platform	our Company	CN202211671373.2	Invention Patent	December 26, 2022	PRC
13.	Open-closed Dual-function Heat Source Tower.	our Company	CN201410248241.8	Invention Patent	June 6, 2014	PRC
14.	Intelligent Inspection Equipment for Energy Stations and Parks and Its Adaptive Environment Method	Xinfa Zhilian	CN202410840757.5	Invention Patent	June 27, 2024	PRC
15.	An Intelligent Operation and Maintenance System and Method Based on Park Management.	Xinfa Zhilian	CN202310551405.3	Invention Patent	May 17, 2023	PRC
16.	An Intelligent Integrated Control Cabinet for Strong and Weak Current	Xinfa Zhilian	CN202310466353.X	Invention Patent	April 27, 2023	PRC
17.	An Abnormal Alarm System Based on Smart Park Software Platform	Xinfa Zhilian	CN202310102439.4	Invention Patent	February 13, 2023	PRC

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No.	Patent	Patentee	Patent Number	Patent Type	Application Date	Place of Registration
18.	Refrigeration System and Reverse Operation Refrigeration Method	Guangdong Haiborui	CN202211331575.2	Invention Patent	October 28, 2022	PRC
19.	A Curtain-down Condenser	Guangdong Haiborui	CN202211183183.6	Invention Patent	September 27, 2022	PRC
20.	A BIM-based Inclination Detection Device for Construction	our Company	CN202422711724.9	Utility Model	November 7, 2024	PRC
21.	A Facility Monitoring Device	our Company	CN202322414616.0	Utility Model	September 6, 2023	PRC
22.	An Evaporative Cooler Structure	our Company	CN202322551561.8	Utility Model	September 20, 2023	PRC
23.	An Industrial Waste Heat Recovery Device	our Company	CN202322487937.3	Utility Model	September 13, 2023	PRC
24.	An Evaporative Cooling Device	our Company	CN202322664257.4	Utility Model	October 7, 2023	PRC
25.	A High-efficiency Computer Room Operation Monitoring Device	our Company	CN202223305107.6	Utility Model	December 9, 2022	PRC
26.	A High-efficiency Computer Room Safety Monitoring and Alarm Device	our Company	CN202223138775.4	Utility Model	November 25, 2022	PRC
27.	An Insulated HVAC Pipe for High-efficiency Computer Room HVAC Engineering	our Company	CN202223227721.5	Utility Model	December 2, 2022	PRC
28.	An HVAC Installation Base for HVAC Engineering	our Company	CN202222521862.1	Utility Model	September 23, 2022	PRC
29.	An HVAC Pipe Connection Device for HVAC Engineering	our Company	CN202222450780.2	Utility Model	September 16, 2022	PRC
30.	A Buried Pipe Heat Exchange System for the Ground Source Side of Ground Source Heat Pump System	our Company	CN202221517494.7	Utility Model	June 17, 2022	PRC
31.	A High-efficiency Dehumidification System for Blast Furnace Blowing with Heat Recovery	our Company	CN202221903912.6	Utility Model	July 22, 2022	PRC
32.	A Domestic Hot Water Supply System with Series Air Source Heat Pump Units	our Company	CN202222065171.5	Utility Model	August 8, 2022	PRC
33.	A Fixed Installation Base for High-efficiency Chillers	our Company	CN201921077419.1	Utility Model	July 11, 2019	PRC
34.	A Movable Centrifugal Chiller	our Company	CN201921077407.9	Utility Model	July 11, 2019	PRC
35.	An Easy-to-maintain Heat Exchanger	our Company	CN201921077431.2	Utility Model	July 11, 2019	PRC
36.	A Centrifugal Chiller with Good Shock Absorption Performance	our Company	CN201921077409.8	Utility Model	July 11, 2019	PRC
37.	An Installation Mechanism for High-efficiency Heat Exchangers	our Company	CN201921077408.3	Utility Model	July 11, 2019	PRC
38.	An Easy-to-assemble and Disassemble Heat Exchanger	our Company	CN201921077418.7	Utility Model	July 11, 2019	PRC
39.	A High-efficiency Heat Exchanger for Waste Heat Recovery	our Company	CN201921077427.6	Utility Model	July 11, 2019	PRC
40.	A Vibration Absorption Device for Centrifugal Chiller Units	our Company	CN201921077429.5	Utility Model	July 11, 2019	PRC
41.	A Liquid Level Adjustment Device for Cooling Towers in Energy Centers	Xinfa Zhilian	CN202423245458.1	Utility Model	December 27, 2024	PRC
42.	A Monitoring and Automatic Control Cabinet for Energy Centers	Xinfa Zhilian	CN202422338151.X	Utility Model	September 25, 2024	PRC

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No.	Patent	Patentee	Patent Number	Patent Type	Application Date	Place of Registration
43.	A Steady-flow Ion Enhancement Generator .	Xinfa Zhilian	CN202421595239.3	Utility Model	July 8, 2024	PRC
44.	A Hot Water Circulation Pump	Xinfa Zhilian	CN202323313947.1	Utility Model	December 5, 2023	PRC
45.	An Electric Valve Actuator for Cooling Towers	Xinfa Zhilian	CN202320369197.0	Utility Model	March 2, 2023	PRC
46.	A Cooling Tower Transmission Pipeline Structure	Xinfa Zhilian	CN202320394407.1	Utility Model	March 2, 2023	PRC
47.	A Cooling Tower Temperature Alarm	Xinfa Zhilian	CN202320384119.8	Utility Model	March 4, 2023	PRC
48.	A Cooling Tower.	Xinfa Zhilian	CN202320121063.7	Utility Model	February 6, 2023	PRC
49.	A Heat Dissipation Device for Computer Room Controllers	Xinfa Zhilian	CN202320121586.1	Utility Model	February 6, 2023	PRC
50.	An Overload Alarm Cooling Tower	Xinfa Zhilian	CN202223541897.8	Utility Model	December 29, 2022	PRC
51.	A Hot Water Boiler	Xinfa Zhilian	CN202222064359.8	Utility Model	August 8, 2022	PRC
52.	An Easy-to-assemble and Disassemble Cooling Water Pump	Xinfa Zhilian	CN202221855311.2	Utility Model	July 19, 2022	PRC
53.	Condenser and Refrigerator.	Xinfa Zhilian	CN202221702222.4	Utility Model	July 4, 2022	PRC
54.	A Cooling Tower Fan Structure	Xinfa Zhilian	CN202221817225.2	Utility Model	July 15, 2022	PRC
55.	A Height-adjustable Hot Water Boiler	Xinfa Zhilian	CN202221897631.4	Utility Model	July 22, 2022	PRC
56.	A Control Cabinet with Adjustable Base . .	Xinfa Zhilian	CN202221768862.5	Utility Model	July 11, 2022	PRC
57.	A Dustproof and Heat Dissipation Control Cabinet.	Xinfa Zhilian	CN202221703180.6	Utility Model	July 4, 2022	PRC
58.	Condenser Pipe, Condenser Pipe Group, Falling Film Condenser and Refrigeration System	Guangdong Haiborui	CN202422922602.4	Utility Model	November 29, 2024	PRC
59.	A Heat Exchange Module and Heat Exchanger	Guangdong Haiborui	CN202022652829.3	Utility Model	November 16, 2020	PRC
60.	A Serpentine Tube Heat Exchanger.	Guangdong Haiborui	CN202022649469.1	Utility Model	November 16, 2020	PRC
61.	A Solar Mechanical Drive Compressor System	Guangdong Haiborui	CN201820422942.2	Utility Model	March 27, 2018	PRC
62.	An Evaporative Condenser with Combined Fin Structure	Guangdong Haiborui	CN201620901580.6	Utility Model	August 18, 2016	PRC
63.	A New Water Spraying Device for Evaporative Condensers.	Guangdong Haiborui	CN201620927041.X	Utility Model	August 24, 2016	PRC
64.	A High-efficiency Evaporative Condenser . .	Guangdong Haiborui	CN201620927043.9	Utility Model	August 24, 2016	PRC

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(c) *Software Copyrights*

As of the Latest Practicable Date, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Software Name	Copyright Owner	Registration	Registration Date	Place of Registration
			Number		
1.	Unattended Environmental Status Detection and Maintenance System	our Company	2025SR1084211	June 25, 2025	PRC
2.	Intelligent Computer Room Environmental Data Collection and Management Platform	our Company	2025SR1044696	June 19, 2025	PRC
3.	Multi-dimensional Energy Management and Optimization System.	our Company	2025SR1013510	June 16, 2025	PRC
4.	BIM Data Center Intelligent Management Platform . . .	our Company	2024SR2197445	December 26, 2024	PRC
5.	CMC Intelligent Building Application Management Platform	our Company	2024SR1845177	November 20, 2024	PRC
6.	Intelligent Building Power Management System	our Company	2024SR1808694	November 15, 2024	PRC
7.	BIM Intelligent Maintenance Cloud Data Center Operation and Maintenance Platform.	our Company	2024SR1808822	November 15, 2024	PRC
8.	GLJC Power Transformation and Distribution Equipment Safety Intelligent Monitoring and Management Software	our Company	2023SR1333405	October 30, 2023	PRC
9.	GLJC High-efficiency Computer Room Digital Management System.	our Company	2023SR1332095	October 30, 2023	PRC
10.	GLJC Security Linkage Monitoring System.	our Company	2021SR1241250	August 20, 2021	PRC
11.	GLJC Smart Community Management Software	our Company	2021SR1241189	August 20, 2021	PRC
12.	GLJC Smart Toilet Management System.	our Company	2021SR1241251	August 20, 2021	PRC
13.	GLJC Smart Parking Lot Management and Charging Software	our Company	2021SR1062351	July 19, 2021	PRC
14.	GLJC Smart Community Equipment Platform Management Software.	our Company	2021SR1054314	July 16, 2021	PRC
15.	GLJC Smart Community Data Linkage Collection System	our Company	2021SR1054313	July 16, 2021	PRC
16.	GLJC Network Decoding Digital Matrix Management System	our Company	2021SR0944658	June 24, 2021	PRC
17.	GLJC GPS Intelligent Positioning Management System	our Company	2021SR0944659	June 24, 2021	PRC
18.	GLJC Smart Community Monitoring Resource Cloud Storage Server Platform.	our Company	2021SR0944657	June 24, 2021	PRC
19.	GLJC Intelligent Monitoring and Analysis System . . .	our Company	2021SR0944656	June 24, 2021	PRC
20.	GLJC High-efficiency Computer Room Intelligent Control Platform Software	our Company	2020SR0322384	April 10, 2020	PRC
21.	GLJC Air Conditioning Terminal Centralized Intelligent Control System Software	our Company	2020SR0322279	April 10, 2020	PRC
22.	GLJC Energy Consumption Data Reporting System Software	our Company	2020SR0322394	April 10, 2020	PRC
23.	GLJC Integrated Energy Supervision System Software .	our Company	2020SR0322284	April 10, 2020	PRC
24.	GLJC Electromechanical Energy Control Platform Software	our Company	2020SR0322288	April 10, 2020	PRC

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No.	Software Name	Copyright Owner	Registration	Registration Date	Place of Registration
			Number		
25.	GLJC Water Supply Network Monitoring and Management System Software	our Company	2020SR0322388	April 10, 2020	PRC
26.	GLJC Electric Energy Metering Management System Software	our Company	2020SR0320991	April 9, 2020	PRC
27.	GLJC Power Transformation and Distribution Safety Intelligent Supervision System Software.	our Company	2020SR0320891	April 9, 2020	PRC
28.	Load High-efficiency Regulation and Control System Software	our Company	2019SR0410265	April 29, 2019	PRC
29.	Variable Diffusion Pressure Frequency Conversion Control System	our Company	2019SR0410410	April 29, 2019	PRC
30.	Intelligent Water-saving Cooling Control System	our Company	2019SR0407364	April 28, 2019	PRC
31.	Smart Energy Monitoring and Operation Platform. . . .	our Company	2019SR0407410	April 28, 2019	PRC
32.	GWP High-efficiency Refrigeration Control System. . .	our Company	2019SR0404608	April 28, 2019	PRC
33.	High-efficiency Computer Room Intelligent Group Control Technology Software	our Company	2019SR0407418	April 28, 2019	PRC
34.	Xinfa Zhilian High-efficiency Cooling Tower Control Software	Xinfa Zhilian	2025SR1324047	July 22, 2025	PRC
35.	Xinfa Zhilian Operation and Management Platform . . .	Xinfa Zhilian	2024SR2103813	December 17, 2024	PRC
36.	Xinfa Zhilian HECS High-efficiency Cold and Heat Source Station Cluster Control Software	Xinfa Zhilian	2023SR1440855	November 15, 2023	PRC
37.	Xinfa Zhilian Smart Energy Management Software . . .	Xinfa Zhilian	2023SR1440881	November 15, 2023	PRC
38.	Taihu International Talent Homestay Smart Building Management Platform	Xinfa Zhilian	2023SR1162678	September 26, 2023	PRC
39.	Xinfa Zhilian HECS Cold and Heat Source Station Energy Efficiency Measurement Software.	Xinfa Zhilian	2023SR0948261	August 17, 2023	PRC
40.	Xinfa Zhilian HECS Cold and Heat Source Station Equipment Optimization Software.	Xinfa Zhilian	2023SR0942639	August 16, 2023	PRC
41.	Xinfa Zhilian HECS Cold and Hot Water Steady-state Proximity Control Software	Xinfa Zhilian	2023SR0790774	July 4, 2023	PRC
42.	Xinfa Zhilian HECS Cooling Water Wet Bulb and Load Dynamic Compensation Control Software . . .	Xinfa Zhilian	2023SR0778805	July 3, 2023	PRC
43.	High-efficiency Computer Room Operation Monitoring Software	Xinfa Zhilian	2022SR1287761	August 25, 2022	PRC
44.	Refrigeration Room Group Control System	Xinfa Zhilian	2022SR1287739	August 25, 2022	PRC
45.	Refrigeration Room Energy Consumption Analysis and Decision-making Software	Xinfa Zhilian	2022SR1287763	August 25, 2022	PRC
46.	High-efficiency Computer Room Intelligent Control System	Xinfa Zhilian	2022SR1287764	August 25, 2022	PRC
47.	Smart Energy Monitoring and Operation Platform. . . .	Xinfa Zhilian	2022SR1270235	August 24, 2022	PRC
48.	Intelligent Energy-saving Device Installation and Commissioning System	Xinfa Zhilian	2022SR1270234	August 24, 2022	PRC

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STATUTORY AND GENERAL INFORMATION

(d) Copyright

As of the Latest Practicable Date, we had registered the following copyright which we consider to be or may be material to our business:

<u>No.</u>	<u>Name</u>	<u>Copyright</u>	<u>Registration Number</u>	<u>Registration</u>	<u>Place of</u>
		<u>Owner</u>		<u>Date</u>	
1.	Xinfa Zhilian	Xinfa Zhilian	National Registration No. -2023-F-00089250	May 15, 2023	PRC

(e) Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be or may be material to our business:

<u>No.</u>	<u>Domain name</u>	<u>Registered</u>	<u>Expiry date</u>
		<u>owner</u>	
1.	gl-jc.com	our Company	December 30, 2030

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents or intellectual or industrial property rights which were material in relation to our business.

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STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors and Chief Executive

(a) *Disclosure of Interests of Our Directors and Chief Executive*

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the interests and short positions of each of our Directors and chief executive in the Shares, underlying Shares and debentures of our Company or associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers as set out in Appendix C3 of the Listing Rules to be notified to us and the Stock Exchange, once the H Shares are [REDACTED] on the Stock Exchange, will be as follows:

(i) *Interest in our Company*

					Approximate percentage of shareholding interests in our total share capital immediately following the completion of the [REDACTED] ⁽²⁾
<u>Name</u>	<u>Position</u>	<u>Shares to be held after the [REDACTED]</u>	<u>Nature of interest</u>	<u>Number of Shares⁽¹⁾</u>	
Mr. Heng Size	Executive Director and general manager	[REDACTED] [REDACTED]	Interest in controlled corporation ⁽³⁾	[REDACTED] (L) [REDACTED] (L)	[REDACTED]% [REDACTED]%
					Total: [REDACTED]%

Notes:

(1) The letter “L” denotes the person’s long position in our Shares.

(2) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] without taking into account any Shares that may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED].

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- (3) As of the Latest Practicable Date, the general partner of Wuxi Zhongcheng was Mr. Heng Size. Therefore, Mr. Heng Size is deemed to be interested in the Shares held by Wuxi Zhongcheng for the purpose of the SFO.

(b) Particulars of service agreements and appointment letters

Our Company [has entered] into a service agreement or an appointment letter with each of our Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations and observation of our Articles of Association.

The principal particulars of these service agreements and appointment letters comprise (a) the term of service; and (b) the termination clauses. The service agreements and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to enter into a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

(c) Directors’ remuneration

For remuneration details of our Directors during the Track Record Period, please refer to Note 8 to the Accountants’ Report as set out in Appendix I to this document.

During the Track Record Period, no remuneration was paid by us nor receivable by our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, no remuneration was paid by us nor receivable by our Directors, former Directors or the five highest paid individuals for the loss of any office in connection with the management of the affairs of any member of our Group. During the Track Record Period, none of our Directors have waived or agreed to waive any remuneration.

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2. Substantial Shareholders

(a) *Interests of substantial shareholders of our Company*

Save as disclosed in the section headed “Substantial Shareholders” in this document, our Directors are not aware of any other person (other than our Directors or chief executive) who will, immediately following the completion of the [REDACTED], have an interest or a short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

(b) *Interests of substantial shareholders of our subsidiaries*

So far as the Directors are aware, as of the Latest Practicable Date, the following persons were interested in 10% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of our subsidiaries.

<u>Our subsidiary</u>	<u>Parties with 10% or more equity interest</u>	<u>Approximate percentage of shareholding</u>
Qinhuangdao Taili	Beijing Hejun ⁽¹⁾	14.89%
Xinfu Zhilian	Wuxi Hehui Management Co., Ltd.* (無錫市和匯管理有限公司)(“Wuxi Hehui”) ⁽²⁾	49%
Guangdong Haiborui	Yan Hanqiang (顏漢強)	49%

Notes:

(1) Beijing Hejun is wholly owned by Li Yong (李勇), an Independent Third Party.

(2) Wuxi Hehui is a subsidiary of People’s Government of Wuxi City Xinwu District.

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STATUTORY AND GENERAL INFORMATION

3. Disclaimers

- (i) save as disclosed in this appendix, none of our Directors or chief executive has any interests and short positions in the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she has taken or is deemed to have under the provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to us and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, once the H Shares are [REDACTED] on the Stock Exchange;
- (ii) save as disclosed in the section headed “Substantial Shareholders” and this appendix, so far as is known to our Directors or chief executive, no other person (other than our Directors or chief executive) will, immediately following completion of the [REDACTED], have interests or short positions in our Shares and underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of our Group), be interested, directly or indirectly, in 10% or more of the issued voting shares of any other member of our Group;
- (iii) none of our Directors or the experts (as named in this appendix) is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;
- (iv) none of our Directors or experts (as named in this appendix) had any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (v) save as disclosed in the section headed “Business”, none of our Directors, their close associates or our Shareholders (which to the knowledge of our Directors owns more than 5% of the issued Shares) has any interest in our Group’s five largest suppliers or five largest customers for each year during the Track Record Period; and
- (vi) save as disclosed in the section headed “Relationship with our Controlling Shareholders” none of our Directors is a director or employee of a company that has an interest or short position in the Shares and underlying Shares which, once the H Shares are [REDACTED] on the Stock Exchange, would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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STATUTORY AND GENERAL INFORMATION

D. EMPLOYEE STOCK OWNERSHIP SCHEME

Our Company adopted the Employee Stock Ownership Scheme on January 16, 2020. As the Employee Stock Ownership Scheme does not involve issue of new Shares after the [REDACTED], the terms of the Employee Stock Ownership Scheme are not subject to provisions of Chapter 17 of the Listing Rules.

In order to implement the Employee Stock Ownership Scheme, our Company has established Wuxi Zhongcheng as our employee stock ownership platform. As of the Latest Practicable Date, Wuxi Zhongcheng held 20,000,000 Shares, representing 10% of our total issued Shares. Wuxi Zhongcheng’s general partner was Mr. Heng Size, our executive Director, holding 30% interest therein. Wuxi Zhongcheng had 23 limited partners, all of whom were our employees with no limited partner individually held 30% or more interest therein.

The following is a summary of the principal terms of the Employee Stock Ownership Scheme:

1. Purposes of the Employee Stock Ownership Scheme

The purposes of the Employee Stock Ownership Scheme are (i) to attract like-minded and talented individuals with shared goals to join our Group, working together to drive entrepreneurship, advance industrial planning, and expand business operations; (ii) to encourage innovation and entrepreneurship among our Company and our employees; and (iii) to standardize and improve internal governance mechanisms and management practices, enhancing awareness of risks and responsibilities.

2. Participants of the Employee Stock Ownership Scheme

The participants of the Employee Stock Ownership Scheme (the “**Participants**”) include our mid-level and senior management team and personnel specially approved by the partnership management committee of the Employee Stock Ownership Scheme (the “**Partnership Management Committee**”).

3. Administration of the Employee Stock Ownership Scheme

The Partnership Management Committee, comprising three committee members, is responsible for the execution and management of the Employee Stock Ownership Scheme.

4. Total Number of Underlying Shares

Participants shall be interested in a total of 20,000,000 Shares through holding the partnership interests in Wuxi Zhongcheng (the “**Underlying Shares**”), representing 10% of the share capital of our Company in issue immediately prior to completion of the [REDACTED].

As of the Latest Practicable Date, all Underlying Shares have been subscribed by the Participants.

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5. Subscription Price of the Underlying Shares

The subscription price of the Underlying Shares is determined on comprehensive consideration of factors, including the Participants’ contribution to our Company and the timing of their joining Wuxi Zhongcheng as a partner, with reference to the valuation of Wuxi Zhongcheng at relevant time of establishment and change of partners of Wuxi Zhongcheng prepared by independent valuers. The subscription price is specified in the notice of payment issued by the general partner of Wuxi Zhongcheng.

6. Lock-up Period

There is no lock-up period imposed on the holding of the Underlying Shares.

7. Source of Fund

The Participants must subscribe for the Underlying Shares under the Employee Stock Ownership Scheme with legitimate self-financed funds.

8. Termination Mechanism

Any Participant who loses their qualification as an employee partner will automatically exit the limited partnership they belong to. For Participants who retire, unless otherwise specified in the scheme rules, their partner qualification will remain valid for three years from the date of retirement.

Upon a Participant’s exit, the entity designated by the Company is required to repurchase the Participant’s Underlying Shares. The repurchase price will be determined based on the terms of the Employee Stock Ownership Scheme and will vary depending on whether the exit is due to gross misconduct, loss of employee partner qualification, death, or other circumstances approved by the Partnership Management Committee.

If the Board approves a full or partial termination of the Employee Stock Ownership Scheme, our Company is entitled to designate another entity to repurchase all or part of the interests in the Underlying Shares directly or indirectly held by all Participants, provided that the Board and Wuxi Zhongcheng reach an agreement. The buyback price will be determined based on the fair market value, and our Company has the right to appoint an independent third party to determine the fair market value.

9. Disposal Restrictions

Unless otherwise stipulated or approved by the Partnership Management Committee, no Participant may transfer or otherwise dispose of their direct or indirect interests in the Underlying Shares, except through a will, inheritance, or estate distribution. No security, pledge, or other encumbrances may be established on the Underlying Shares.

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STATUTORY AND GENERAL INFORMATION

10. Details of the Underlying Shares

As of the Latest Practicable Date, all Underlying Shares have been subscribed by the Participants. The table below shows the details of the Underlying Shares subscribed by our Directors, senior management, connected persons and other employees under the Employee Stock Ownership Scheme:

Name	Position	Date of subscription	Number of Underlying Shares subscribed for	Approximate percentage of interest in Wuxi Zhongcheng
Mr. Heng Size	Executive Director and general manager	April 16, 2020	6,000,000	30.000%
Ms. Li Peipei	Executive Director and financial director	April 16, 2020	500,000	2.500%
Mr. Lu Ye	Deputy general manager and joint company secretary	April 16, 2020	2,000,000	10.000%
Mr. Hua Wei	Deputy general manager	April 16, 2020	5,600,000	28.000%
Mr. Wu Shengfeng (吳勝鋒)	General manager of Shangrao Chaojie	July 17, 2024	551,087	2.755%
Ms. Zheng Tingting (鄭婷婷)	Supervisor of Shangrao Chaojie, Foshan Enjie and Yangzhou Energy	April 16, 2020	150,000	0.750%
Other employees		Various date from April 16, 2020 to March 10, 2026	5,198,913	25.995%
Total			20,000,000	100.000%

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

2. Litigation

As of the Latest Practicable Date, we are not aware of any litigation, arbitration or claims of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], our H Shares.

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Shenwan Hongyuan Capital (H.K.) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Guolian Securities International Capital Market Co., Limited does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules because it is an indirect subsidiary of Guolian Development Group, which is one of the Controlling Shareholders of our Company.

The Joint Sponsors will be paid by our Company a total fee of RMB4.1 million to act as the sponsors in connection with the [REDACTED].

4. Compliance Advisor

Our Company has appointed Red Solar Capital Limited as its compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are affected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

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STATUTORY AND GENERAL INFORMATION

7. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice in this document:

Name	Qualification
Shenwan Hongyuan Capital (H.K.) Limited.	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Guolian Securities International Capital Market Co., Limited . .	A licensed corporation under the SFO for Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Zhong Lun Law Firm.	Our PRC Legal Advisor
KPMG.	Certified public accountants
	Public interest entity auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

8. Consent of Experts

Each of the experts named in paragraph 7 above [has given and has not withdrawn] its written consent to the issue of this document with the inclusion of its report, letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it is included respectively.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided under Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

10. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

11. No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025.

12. Promoters

Information of our promoters as of the time of our Company’s conversion into a joint stock limited company on December 27, 2024 is as follows:

No.	Name of promoter
1.	Huaguang Environment & Energy
2.	Wuxi New Development Group Co., Ltd.* (無錫市新發集團有限公司)
3.	Tyco Ireland Limited
4.	Wuxi Metro Technology Service Co., Ltd.* (無錫地鐵科技服務有限公司)
5.	Wuxi Zhongcheng

Within the two years immediately preceding the date of this document, no cash, securities or other benefit was paid, allotted or given, or proposed to be paid, allotted or given, to any promoters in connection with the [REDACTED] and the related transactions described in this document.

13. Miscellaneous

- (1) Within the two years immediately preceding the date of this document:
 - (i) save as disclosed in the section headed “History, Development and Corporate Structure”, no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) save as disclosed in the section headed “[REDACTED]”, no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

- (iv) save as disclosed in the section headed “[REDACTED]”, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.
- (2) There are no founder, management or deferred shares or any debentures in our Group.
- (3) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.
- (4) Our Company has no outstanding convertible debt securities or debentures.
- (5) There is no arrangement under which future dividends are waived or agreed to be waived.
- (6) Save for the H Shares to be issued pursuant to the [REDACTED], none of our equity and debt securities is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or permission to [REDACTED] being or proposed to be sought.
- (7) All necessary arrangements have been made to enable the H Shares to be admitted into [REDACTED] for clearing and settlement.
- (8) No company within our Group is presently [REDACTED] on any stock exchange or [REDACTED] on any trading system.
- (9) There is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of the material contract referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contract” in Appendix VI to this document; and
- (ii) the written consents referred to in “Statutory and General Information — E. Other Information — 8. Consent of Experts” in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.gl-jc.com during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from KPMG, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (d) the report from KPMG on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
- (e) the industry report issued by Frost & Sullivan referred to in “Industry Overview” in this document;
- (f) the PRC legal opinion issued by Zhong Lun Law Firm, our PRC Legal Advisor, in respect of, among other things, certain general corporate matters and property interests of our Group;
- (g) the material contract referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contract” in Appendix VI to this document;
- (h) the written consents referred to in “Statutory and General Information — E. Other Information — 8. Consent of Experts” in Appendix VI to this document;

APPENDIX VII

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (i) the service agreements and appointment letters referred to in the section headed “C. Further Information about Our Directors and Substantial Shareholders — 1. Directors and Chief Executive — (b) Particulars of service agreements and appointment letters” in Appendix VI to this document; and
- (j) the PRC Company Law, the PRC Securities Law, the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations.